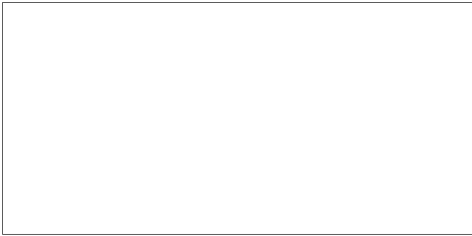


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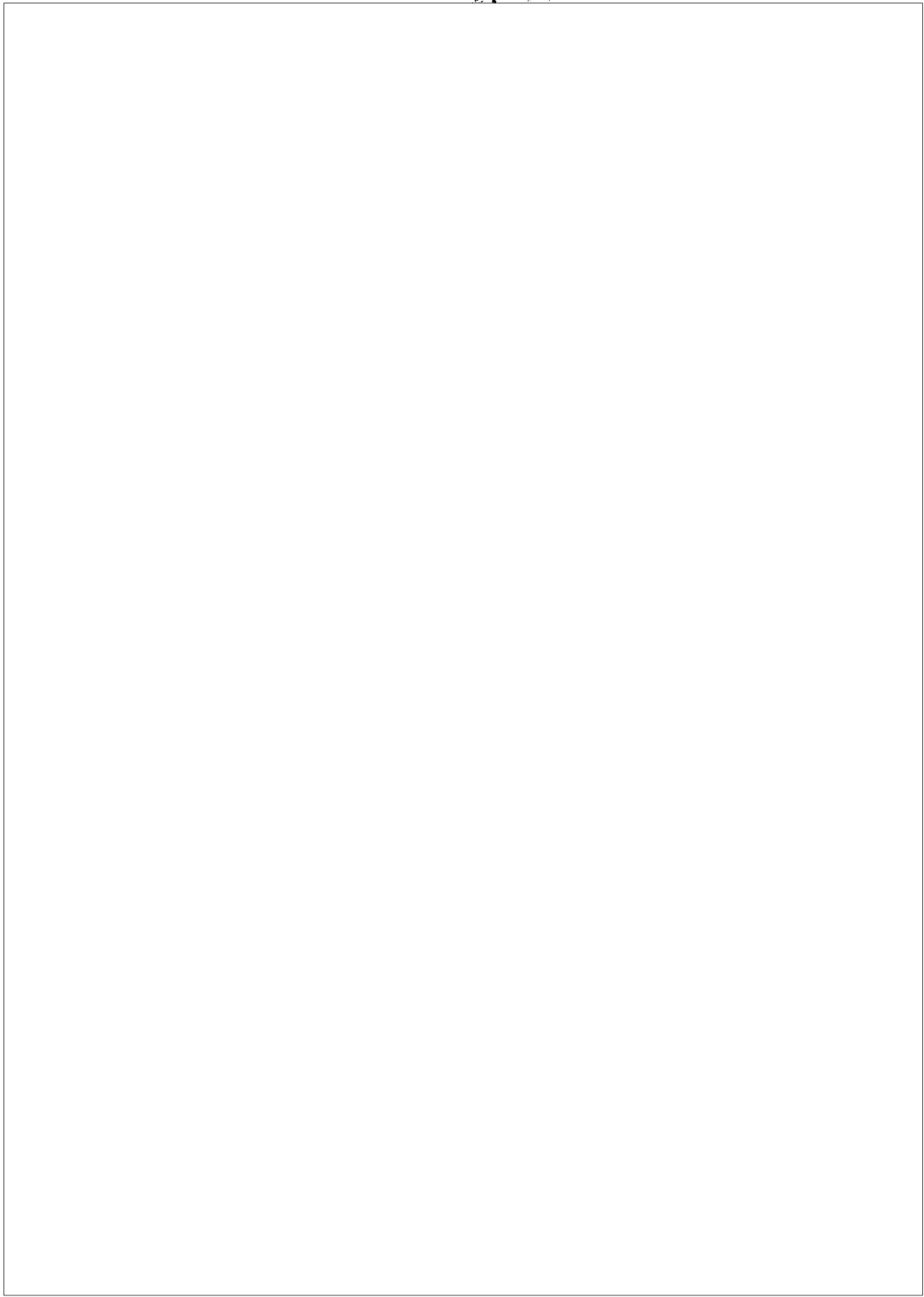
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CENTRAL INTELLIGENCE BULLETIN



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19 DECEMBER 1959

I. THE COMMUNIST BLOC

Moscow lecturer gives impression Soviet leaders particularly resent earlier Chinese claims to have nearly caught up with USSR in progress toward Communism. ①

Chou En-lai's latest note proposes early meeting with Nehru on border dispute; makes no concessions. ②

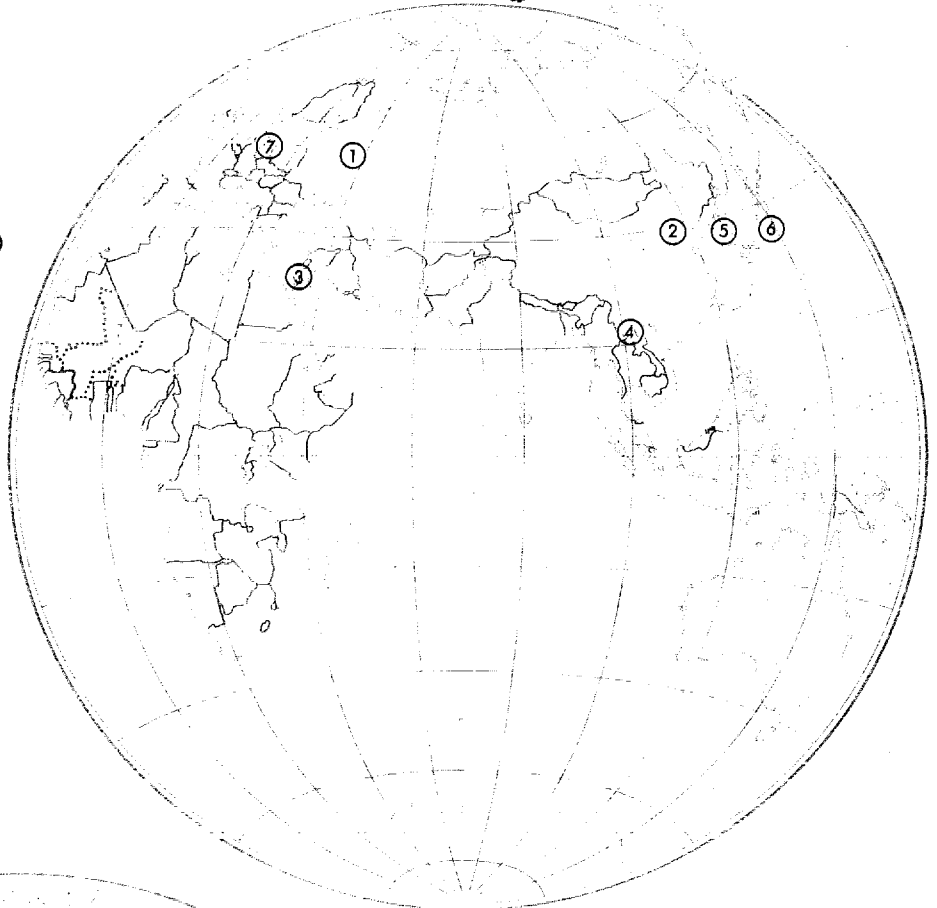
II. ASIA-AFRICA

UAR-Israeli tensions likely to be heightened as result of an Israeli attempt to send cargo through Suez Canal. ③

Laos--Reformist group, excluded from new cabinet, apparently hoping to re-enter government by royal decree. ④

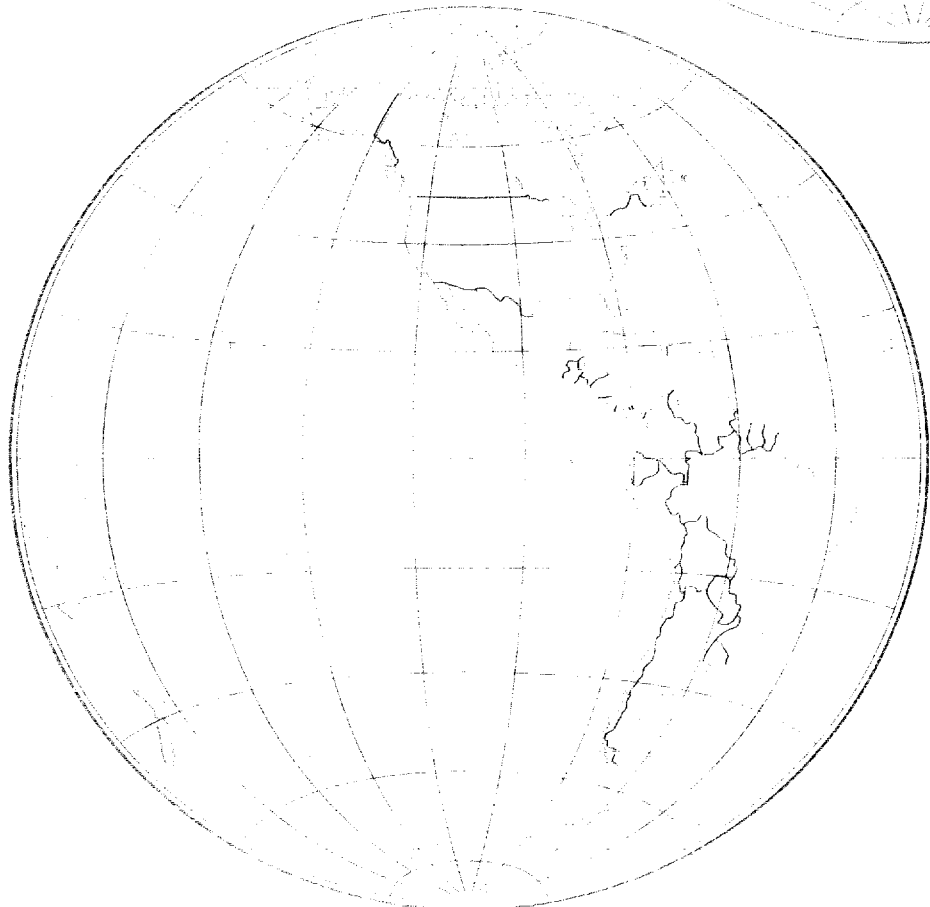
Report that South Korea will attack northward as result of repatriation program believed of doubtful validity. ⑤

Japanese Government foresees mounting popular sentiment for establishing relations with Peiping as result of general relaxation of international tensions. ⑥



III. THE WEST

West Berlin--Mayor Brandt calls for plebiscite on whether city should retain its ties with Federal Republic. ⑦



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CENTRAL INTELLIGENCE BULLETIN

19 December 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

OK

USSR-China: A recent lecture to Moscow schoolteachers given by a Soviet specialist on China was notable for its patronizing tone regarding Chinese pretensions. While balancing criticism with praise, the talk as a whole gave the impression that what may nettle the Soviet leaders most about their Chinese allies is their earlier claims to have leaped into a position of near parity with the Soviet Union in progress toward communism. The Chinese were portrayed as "over-enthusiastic," attempting cultural plans that are a "little dreamy and unrealistic" in a poverty-stricken economy that is "17 or 18 years away from the attainment of full socialism." The communes were characterized as a "mess" which is only gradually being straightened out. [redacted] (Page 1)

OK

Communist China - Nepal: Chou En-lai's letter of 17 December to Nehru, like Peiping's earlier communications on the border dispute, makes no substantive concessions but seeks to mollify Indian opinion by portraying the Chinese as eager for immediate negotiations. The Chinese premier suggests that Nehru begin talks with him on 26 December either in China, where there are "no activities hostile to Sino-Indian friendship," or in Rangoon. He rejected Nehru's demands that the Chinese evacuate the Ladakh area and refused to withdraw Chinese forces from Longju without a simultaneous withdrawal of Indian forces from ten other disputed outposts. Nehru endorsed the principle of talks between the two prime ministers in his letter of 16 November, but he probably will not regard Chou's latest counter-proposals as reflecting the "interim understanding" which he set as a condition for such a meeting. [redacted] (Page 3) (Map)

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II. ASIA-AFRICA

UAR-Israel: Press reports indicate that Egyptian customs officials have asked that a cargo of Israeli-produced cement be unloaded from a Greek ship which arrived at Port Said. This Israeli attempt to test the UAR's conditional willingness to allow goods of Israeli origin to pass through the Suez Canal is likely to produce additional tension between the two countries.

NO [redacted] Dag Hammar-skjold had previously notified Cairo that the Israelis were sending this cargo from Haifa to Djibouti f. o. b. and without publicity as specified in informal UAR conditions and had urged that the UAR allow it transit. [redacted]
(Page 4)

NO Laos: The young reformist group (CDNI) recently excluded from Premier Phoui's new conservative cabinet apparently hopes to re-enter the government by royal decree after the present National Assembly's term lapses on 25 December. A CDNI communiqué criticizing Phoui's recent moves asserts that when the assembly expires all powers revert to the King, and it implies that the King's proper course would be to appoint a new provisional government including the CDNI pending April elections. The King is considered sympathetic to the CDNI. Should he disappoint the reformists on this issue and some compromise not be worked out, they might attempt a power move against Premier Phoui with army backing.

[redacted]
South Korea [redacted]
[redacted]

OK [redacted] President Rhee will order an invasion of North Korea following the departure for North Korea on 21 December of the second group of Korean repatriates from Japan. While Rhee is worked up over South Korea's failure to block the repatriation and might be considering rash action, it is more [redacted]

19 Dec 59

DAILY BRIEF

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likely that this threat was deliberately circulated in an effort to induce the US to intervene to halt the repatriation. South Korean forces have been on an alert since 13 December but there is no evidence of preparations for an attack, and any order for one would almost certainly become known to the UN command before it could be implemented.) [REDACTED]

NOFORN

[REDACTED] (Page 6)

NO Japan: The Japanese Government expects popular sentiment for the establishment of normal relations with Communist China to intensify as a result of a relaxation of international tensions which it believes will flow from the exchange of visits between President Eisenhower and Khrushchev. The Japanese Foreign Ministry has requested several diplomatic missions to ascertain the views of local influential groups on the timing and the manner in which various governments may be planning to recognize Peiping in order to use the data "for handling this situation and establishing policy." [REDACTED]

III. THE WEST

West Berlin: Mayor Brandt recently expressed his serious apprehension over possible Western moves at a summit meeting which could weaken West Berlin's ties with the Federal Republic. Pointed Soviet attacks on the links between West Berlin and Bonn are at the base of Brandt's concern.

NO *Replying to these attacks, Brandt urged in a speech to the city assembly on 17 December, that West Berlin's far-reaching integration into the Federal Republic be continued "under the umbrella of the unchallengeable rights of the Western Powers in Berlin." He said his government will be ready at any time to support a four-power agreement concerning a plebiscite in Berlin, "if the USSR wishes to determine the desires of the population of Berlin regarding our city belonging to the Federal Republic." [REDACTED]

19 Dec 59

DAILY BRIEF

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I. THE COMMUNIST BLOC

Criticism of China in Soviet Public Lecture

In a lecture on 11 December to Moscow schoolteachers, V. I. Danilov, Soviet specialist on Communist China, sharply criticized certain Chinese practices and views. The lecture, while balancing criticism with praise for genuine accomplishments, was notable for its apparent tone of patronizing belittlement of Chinese pretensions. It supported the impression that what may nettle the Soviet leaders most about their Chinese allies is their earlier claims to have leaped into a position of near parity with the Soviet Union in progress toward communism.

The lecturer alleged that the creation of the communes in 1958 was a "mess" which is only gradually being straightened out. He said the Chinese had enlarged their cooperatives by combining many of them and then had "unfortunately" named them communes, which led poorly educated Communists to conclude that the commune must be some sort of jump to communism. Actually, Moscow has been concerned that a similar conclusion was being drawn by other bloc Communists. Khrushchev had discussed the issue with the Chinese leaders, according to the speaker, and they had redefined the communes as socialist rather than communist, but much confusion still remained to be corrected. In fact, he pointed out, China is still 17 or 18 years away from full socialism, and since the USSR is so far ahead, Soviet aid to China will increase.

Danilov extended criticism of the Chinese into the cultural and educational fields, an area which Moscow had avoided before. The Chinese were said to have a correct basic approach and to have made great advances in the field of culture, but they are over-enthusiastic and their plans are a little dreamy and unrealistic. In this respect, their timetable is off by 20 or 30 years. In addition, their "literature is very sick" because most of their writers joined the "right opposition" in 1957 and have not yet found themselves, and the few good revolutionary writers are too busy with political work to write.

The Chinese standard of living is so poor, Danilov said, that Soviet technicians have to be specially prepared before

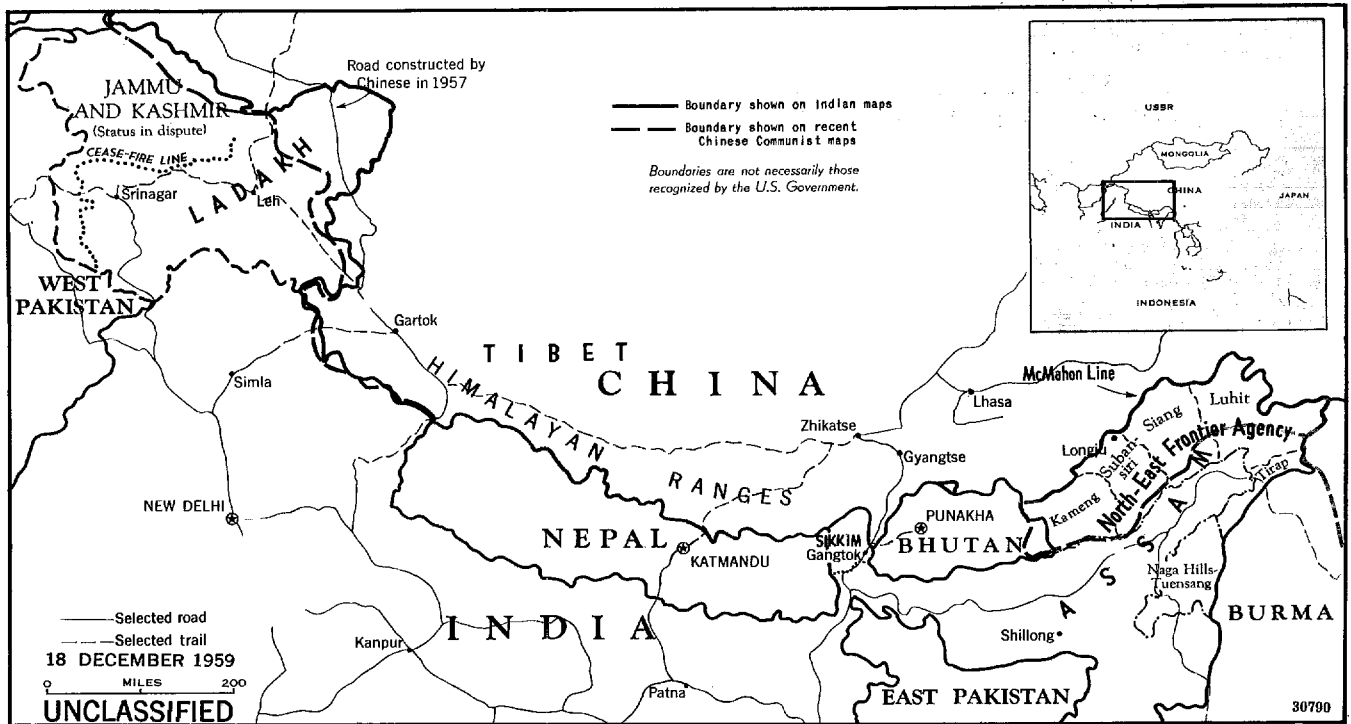
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being sent to China. He noted that the Chinese have gone too far in demanding outside physical work of their students, who become so exhausted that they sleep over their studies. Danilov ridiculed Chinese explanations that this extra work is beneficial, saying that this only provokes a Soviet smile because the Russians know the real reason lies in China's poverty.

Apparently because the lecture was intended to describe conditions within China, foreign policy topics were avoided and no mention was made of the Sino-Indian border dispute.



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912 18

Peiping Calls for Chou-Nehru Meeting

Premier Chou En-lai's letter of 17 December to Prime Minister Nehru, like Peiping's earlier communications on the border dispute, sought to mollify inflamed Indian opinion by portraying the Chinese as eager for immediate negotiations. Chou suggested a meeting with Nehru to begin on 26 December "any place in China," because there are "no activities hostile to Sino-Indian friendship" there, or in Rangoon. Chou expressed agreement with Nehru's proposal that neither side send out patrols from their frontier posts and declared that Peiping had in fact stopped such patrols.

Peiping, however, flatly rejected Nehru's demand that the Chinese troops evacuate Indian-claimed territory in Ladakh, pointing out that the Chinese had made no corresponding demand on New Delhi to withdraw its forces from the Chinese-claimed area south of the McMahon line. As a "partial solution" pending agreement on his proposal of 7 November for a mutual withdrawal along the "entire border," Chou agreed to the evacuation of Chinese forces from Longju outpost in Assam, but only on the condition that the Indians withdraw also from ten other disputed outposts, most of which are located on the western sector of the frontier.

New Delhi is not likely to find Chou's proposals acceptable. Indian doubts regarding Peiping's real intentions in the border area will be reinforced by Chou's insistence on maintaining the "status quo" in Ladakh, thereby retaining possession of large slices of Indian-claimed territory, and by his refusal to withdraw from an outpost forcibly seized by Chinese troops unless Indian forces evacuate ten other points. In his letter of 16 November to Chou, Nehru endorsed the principle of early talks between the two premiers, but stressed that a meeting would be fruitful only after preliminary steps were taken to reach an "interim understanding." Nehru is not likely to regard Chou's reply as fulfilling this condition.

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II. ASIA-AFRICA

UAR Detains Another Israeli Cargo

What was ostensibly an unpublicized Israeli test of the UAR's willingness, under certain conditions, to allow passage through the Suez Canal of cargoes of Israeli origin apparently has misfired. According to a press report from Port Said, Egyptian customs officials there--following an earlier press report that they were examining a cargo from Israel--have asked the captain of the Greek-flag freighter Astypalea to unload its cargo of cement from Israel. Confiscation or "detention" of the cement would exacerbate UAR-Israeli tensions and undermine UN Secretary General Hammarskjold's efforts to resolve the long-standing dispute over Israeli use of the canal.

Hammarskjold had notified the UAR that Israel was sending this cargo f. o. b. from Haifa to Djibouti, French Somaliland, and that the Israelis had said they had imposed strict censorship on the matter. This was in accordance with the conditions of the "effective position" which Cairo had privately stated with regard to Israeli shipping. Cairo's public policy prohibits cargoes from Israel, as well as Israeli-flag vessels, from transiting the canal. [The UAR also [redacted] stipulated that cargoes bound through the canal from Israel were to be shipped f. o. b. and that those en route to Israel were to be c. i. f. --Israel then would not legally own any of these cargoes.]

[The resumption of Israeli shipping according to these provisos, which Hammarskjold had negotiated, was to begin a gradual return to the situation which obtained in 1958, in which transit of both Israeli-chartered ships and Israeli cargoes was permitted, although not of Israeli-flag vessels. UAR Foreign Minister Fawzi had indicated to Danish officials this week that unpublicized transit of the Astypalea might be a "useful precedent" for release of the Inge Toft, the Danish ship that has been detained at Port Said since May with its cargo from Israel.]

The new incident in the canal dispute comes at a time when the World Bank is considering approval of a loan to the UAR for

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canal improvements. Israel has been waging a diplomatic and propaganda campaign against granting the loan because of the restrictions against Israeli shipping through the canal.

Meanwhile, the Israelis are also agitated about alleged Syrian transgressions on Lake Tiberias. Israel claims the Syrians have installed pumping apparatus near the shore of the lake and have put pipes across the Israeli-controlled ten-meter zone on the northeastern shore. Israel also contends the Syrians are fishing on the lake without the "necessary" Israeli permits, and that 196 Israeli fishing nets have been destroyed and 92 nets stolen. [redacted] if the UN Truce Supervision Organization fails to effect a stoppage of such activities. Israel will have to take "police" action. [redacted]

[redacted]

~~TOP SECRET~~ [redacted]

President Rhee Allegedly Planning to Order Invasion of North Korea

[redacted] President Rhee intends to order an invasion of North Korea following the departure from Japan of the second group of Koreans on 21 December for North Korea. Rhee is said to hope that such action will cause international intervention and bring the repatriation question before the United Nations. South Korean forces were alerted on 13 December, but there has subsequently been no evidence of military preparations; such an order would almost certainly come to the attention of the UN Command before it could be implemented.

The most likely possibility is that this threat is being deliberately circulated in an effort to induce the United States to make representations to Japan to halt further repatriation. Rhee recently stated that Washington was his last hope of blocking the repatriation, that he did not want a shooting incident, and that he intended to confine himself to political action. It is also possible that this report is a desperate maneuver by the South Korean mission chief in Tokyo, who is under a cloud for having misled Rhee into believing that the repatriation could be stopped.

Rhee's growing concern over the failure of allied policy to secure Korean unification, however, suggests that some rash action to draw attention to the Korean problem should not be completely discounted. [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

Director, Office of Defense and Civilian Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, 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 Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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National Security Agency

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