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CENTRAL INTELLIGENCE BULLETIN

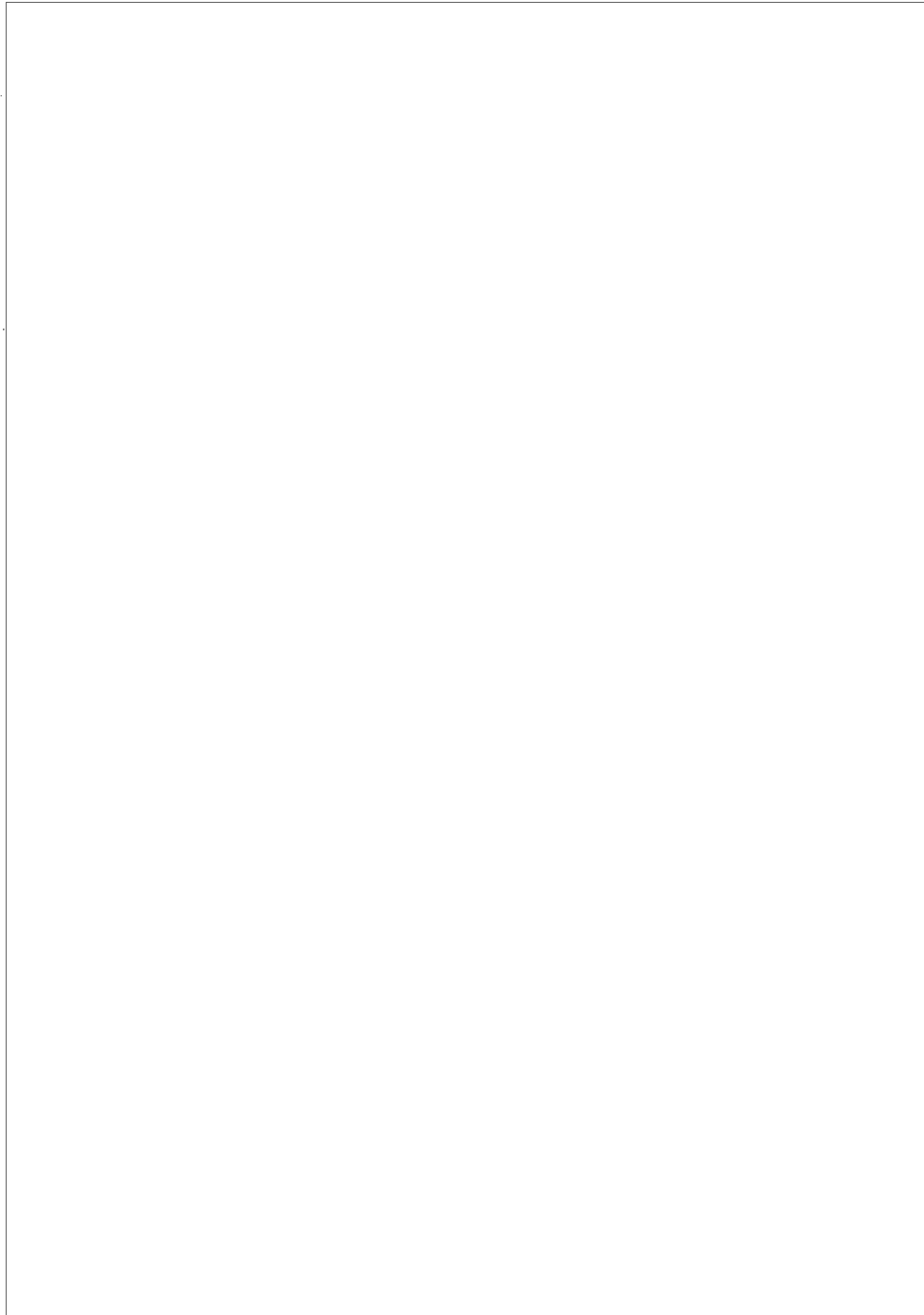


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1 AUGUST 1959

I. THE COMMUNIST BLOC

Peiping gets Crown Prince Badr's permission to send more technicians to Yemen.

II. ASIA-AFRICA

Iraq--Army instructors ordered withdrawn from Popular Resistance Force; Communists reported considering strikes and sabotage in oil fields.

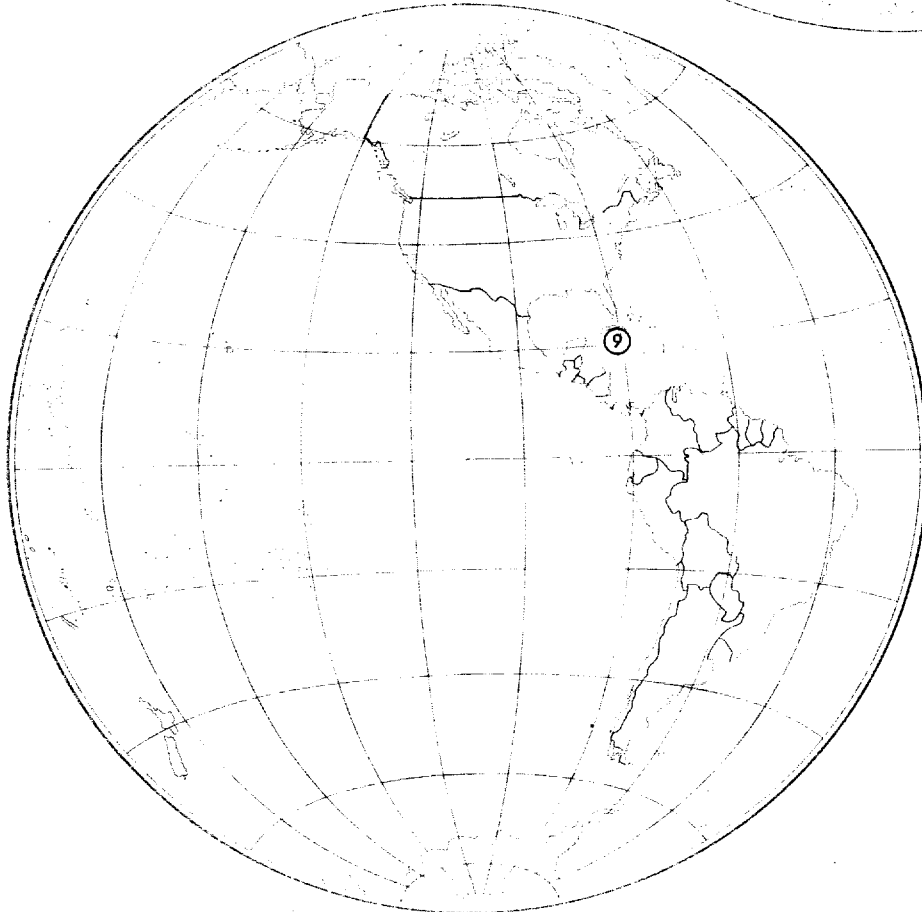
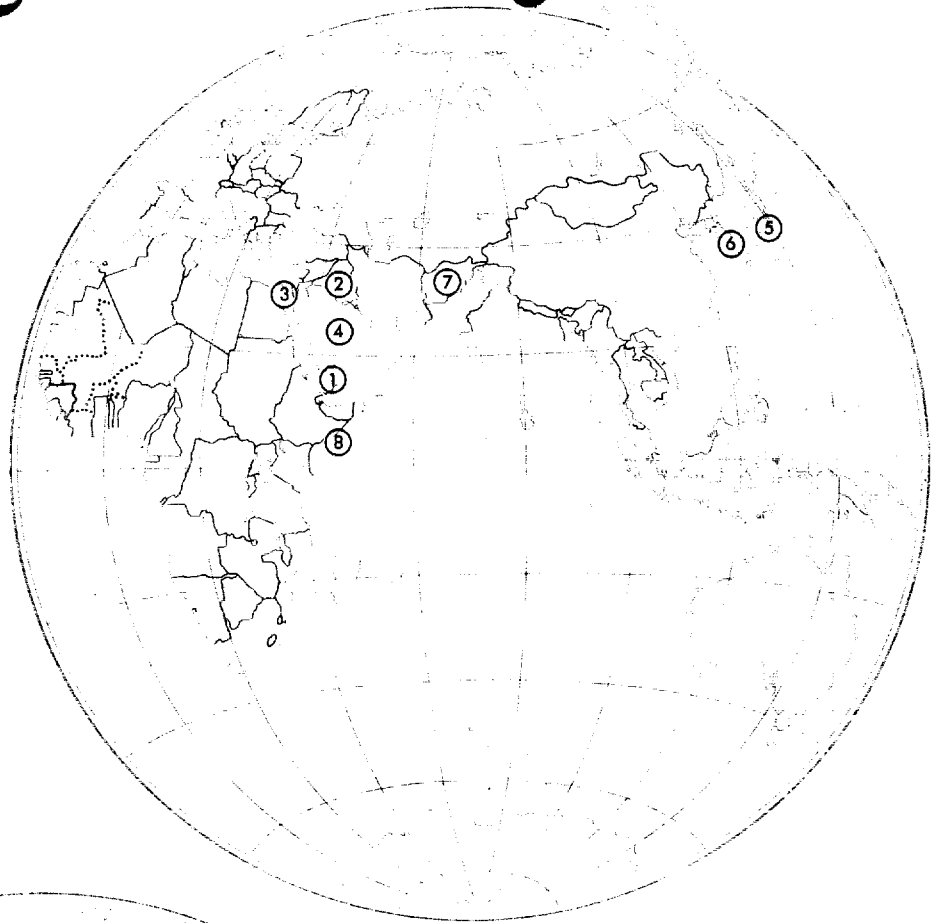
World Bank loan to Nasir for Suez Canal improvement may be blocked by Israel and UK. Israelis want loan tied to commitment on freedom of transit.

King Saud agrees to meet with Nasir.

Japan indicates it will sign repatriation agreement with North Korea; may cause Seoul to withdraw offer to resume talks with Tokyo.

South Korea--Rhee's personal control of government may be weakening as result of mental deterioration.

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- ②
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- ⑦ Afghan propaganda charges US collusion in alleged Pakistani aggression against 'Pushtoonistan.
- ⑧ Somalia requests arms from Italy; could aggravate tensions with Ethiopia.

III. THE WEST

- ⑨ Reported plots against Castro regime seen as unlikely to succeed if attempted at this time.

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CENTRAL INTELLIGENCE BULLETIN

1 August 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

Communist China - Yemen: Communist China, falling behind in its road construction program in Yemen, has received permission to send in another 202 "experts" in early August, [redacted]

NO

These will be in addition to 500 Chinese personnel now in Yemen. Most of them are laborers engaged in constructing a 40-mile section of the Al Hudaydah - Sana road. Peiping has asked Crown Prince Badr in early June for permission to increase the number of Chinese "engineers." Badr [redacted]

[redacted] had refused the request because the Chinese were attempting to subvert the local population. The subsequent change in Badr's attitude probably reflects a hope that the concession to the Chinese will induce further aid offers from the West. [redacted]

(Page 1)

II. ASIA-AFRICA

Iraq: Military personnel engaged in training the Communist-infiltrated Popular Resistance Force (PRF) have been ordered to rejoin their army units immediately, [redacted]

NO

[redacted] Withdrawal of these personnel, along with recent orders banning the wearing of PRF uniforms and withdrawal of arms from the PRF units, should further reduce its potential. [redacted]

[redacted] Communist elements "are gathering in all areas of Iraq," and Communist officials in the Iraqi oil fields are considering employing strikes or sabotage. [redacted]

NO

UAR: Nasser's hoped-for \$40,000,000 loan from the World Bank for Suez Canal improvement may be at least temporarily [redacted]

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[blocked by British and Israeli opposition. The British are seeking a delay, partly because they fear that, if the loan is granted before the problem of the return of sequestered British property is resolved, damaging "awkward questions" might be asked during the period before the parliamentary elections, which are expected this fall. Israel has informed the British Foreign Office of its desire to see commitments regarding freedom of transit attached to the loan and is seizing on Nasir's recent belligerent statements to launch an international propaganda campaign to discredit his reliability.]

(Page 2)

UAR - Saudi Arabia: King Saud has accepted an invitation from Nasir to visit Egypt sometime after Saud's return from Europe in late August or early September,

The invitation was conveyed to Saud by UAR Vice President Marshal Amir in mid-July when the King's yacht passed through the Suez Canal. The meeting would be the first encounter between the two leaders since the UAR accused Saud of plotting Nasir's assassination in the spring of 1958.

NO

Japan-Korea: Japanese Foreign Minister Fujiyama indicated Tokyo's desire to sign the Japanese - North Korean repatriation agreement, following consultation with the International Committee of the Red Cross, now that South Korea had "given in on the repatriation to North Korea." Fujiyama probably fears that Pyongyang, which has been pressing for immediate signing, might denounce the agreement because of Seoul's 30 July proposal to resume talks with Tokyo and to accept repatriates. Despite Seoul's "unconditional" offer, the signing of the North Korean agreement prior to the opening of the South Korean - Japanese talks probably would be regarded as a provocation by the Rhee government and might cause it to refuse to begin talks with Japan.

NO

South Korea: President Rhee's personal direction of Korean policies and governmental operations may be weakening.

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DAILY BRIEF

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[Redacted]

[Redacted] Governmental decisions are reportedly being made by certain members of the Liberal party and the presidential secretariat, most of whom have been identified with the faction of the Liberal party that has advocated extreme measures to retain power.]

(Page 3)

Afghanistan: The government-controlled Afghan press, in a new departure in its propaganda, is attacking alleged Pakistani "aggression against Pushtoonistan." This line, which may be Soviet-inspired, claims US-Pakistani agreements are intended to convert Pakistan's Pushtu region into an American military base.

NO

This attack follows the conclusion of recent agreements for Soviet economic [and military] assistance. Kabul [has also made arrangements for Soviet military advisers to work in the Ministry of Defense and] apparently is preparing for ten Soviet experts to work on the second five-year plan.

(Page 4)

Somalia-Italy: [Somalia, the Italian-administered UN trust territory scheduled for independence next year, has recently asked Italy for \$5,600,000 worth of arms to be used for internal security. Rome has not yet reached a decision, but Italian officials have speculated they might provide funds to permit Mogadiscio to buy some equipment. Such action could lead to an aggravation of existing tensions between Ethiopia and Somalia. Each state fears territorial expansion on the part of the other; arms assistance to Somalia would probably prompt Ethiopia to seek more arms aid.]

NO

(Page 5)

III. THE WEST

Cuba: Various sources of the American Embassy report plotting to oust the Castro regime in the near future. The conspiracy is said to involve the planned assassination of Fidel and

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1 Aug 59

DAILY BRIEF

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Raul Castro, the revolt of a portion of the armed forces, and coordinated landings by armed groups from the Dominican Republic. Although Dominican Dictator Trujillo is known to be supporting an irregular armed force, led by Cuban exiles, for use against Castro, he is not likely to unleash it prior to the inter-American meeting of foreign ministers scheduled to begin on 12 August. Even if attempted, such plots would be unlikely to succeed at this time. [redacted] (Page 6)

1 Aug 59

DAILY BRIEF

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I. THE COMMUNIST BLOC

Peiping Sending More "Road Experts" to Yemen

[An additional 202 Chinese Communist "road experts" have been given permission to enter Yemen, where Peiping's road construction project is falling behind schedule. The Chinese will arrive in early August,]

[Since 1958, about 500 Chinese Communists have arrived in Yemen. The majority of them are working on the 173-mile road Peiping agreed to build between Al Hudaydah and Sana under the terms of its 1958 technical assistance agreement.]

the Chinese would be unable to complete the first 40-mile section of the road by the original June deadline. Peiping is anxious to impress underdeveloped nations with its capability to provide technical aid and is driving hard to make a success of the Yemen program despite difficulties with local labor.]

Crown Prince Badr]
resented the entry of the Chinese and had denied a request to bring in 150 more "engineers" because they were attempting to subvert the local population. At the time, Badr hinted he would be happy to see them leave the country if only he had the money to pay off the used portion of Peiping's \$16,000,000 interest-free loan. The subsequent change in Badr's attitude probably reflects a hope that the concession to the Chinese will induce further aid offers from the West.]

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II. ASIA-AFRICA

British and Israeli Opposition May Delay World Bank
Loan to Nasir

[Redacted]

(Nasir's hoped-for \$40,000,000 loan from the IBRD for starting his ambitious Suez Canal improvement scheme may be delayed at least temporarily by British and Israeli opposition. The British, concerned over possible adverse domestic reaction to UK acquiescence to the loan without an acceleration of the return of sequestered British property and a solution to the Suez Canal transit problem, have indicated to IBRD President Black that they favor a delay, and probably London would prefer waiting until after the parliamentary elections expected this fall.)

(Foreign Minister Lloyd told Secretary Herter in Geneva on 30 July that the UK "thought it would be safer to let the loan slide until November as long as the UK was not charged with slowing it up." Egyptian knowledge of the UK's stand would probably further delay resumption of UK-UAR diplomatic relations, which, according to a Foreign Office official, "Egypt knows the UK stands ready to resume at any time.")

(Israel has informed Britain of its desire to see "commitments" regarding transit of the canal attached to the IBRD loan. A Foreign Office official on 29 July stated his impression that Israel might attempt to force this issue, presumably by demanding UN consideration of the subject. Israel's cabinet will consider the problem on 2 August. Ambassador Reid has reported from Tel Aviv that the Hebrew press on 28 July carried the suggestion that Israel may be planning to launch an "information" campaign to enlist public opinion, especially in the United States, against the proposed IBRD loan. Nasir has recently made several belligerent statements in reaction to the call made by Israel's former chief of staff, Moshe Dayan, for a firmer policy against the UAR. Israel may use these statements against Nasir in a campaign to discredit his reliability.) [Redacted]

[Redacted]

[REDACTED]

Syngman Rhee's Control Over Government Seen Weakening

[P]resident Rhee's personal direction of Korean policies and governmental operations may be weakening. Since the latter part of May, Rhee has shown increasing inability to focus his attention on government problems and to grasp even the most elementary of new ideas, [REDACTED]

[REDACTED] Amba-
sador Dowling, in a personal meeting with Rhee on 13 July, noted that the President appeared to have difficulty focusing his attention on the problem under discussion [REDACTED]

[REDACTED]

[T]here is some indication that leadership has been assumed by a triumvirate comprising Minister of Home Affairs Choe In-kyu, Minister of Justice Hong Chin-ki, and Minister of Finance Song In-song, and by the "hard" faction of Rhee's Liberal party. The presidential secretariat also appears to exercise considerable influence over governmental decisions by controlling what and whom the President sees. The most influential member of the secretariat--Pak Chan-il--is reported to be more anti-Japanese than Rhee.]

[I]f knowledge of President Rhee's apparently failing mental powers becomes widely known, confidence in the government may decline, and South Korea could face a protracted period of instability prior to the presidential election next year. Moreover, those persons reported to be exercising leadership have demonstrated in the past their willingness to use drastic measures to ensure their retention of power. The lack of any constitutional provision for the removal of an incapacitated president would provide them with justification for blocking the succession to the presidency of opposition Vice President Chang Myon.] [REDACTED]

[REDACTED]

[REDACTED]

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Afghan Press Criticizes US "Bases" in Pakistan as Kabul
Accepts Soviet Military Advisers

The government-controlled Afghan press has criticized American "bases" in Pakistan, declaring the Pakistani Government was compelled to carry out "aggression" against the Pushtu region in Pakistan under the terms of a US-Pakistani agreement in order to convert the area into an American military base. The Afghans are apparently referring to the recent US-Pakistani agreement to establish a communication facility in northern West Pakistan and to a series of tribal incidents in Baluchistan, at the southern end of the Pakistani Pushtu tribal region. The propaganda attack follows the conclusion of recent agreements for Soviet military and economic assistance and is a marked departure from Afghanistan's customary neutral position.

Kabul, which in the past has secured advisory assistance almost entirely from the West, is now accepting Soviet advisers as distinct from technicians. Soviet military advisers--to be identified as "instructors"--are to work in the Afghan Ministry of Defense. The Afghans apparently are arranging for ten Soviet experts to help work out the details of the second five-year plan.

A Soviet major general, with the reported title of "Director General of Soviet Military Groups in Afghanistan," arrived in Kabul on 23 June. Such a designation would indicate that Soviet military technicians and advisers are now organized into a formal military assistance group. Afghan military training and reorganization seem likely to be accelerated with Soviet assistance.

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[REDACTED]

Somali Arms Quest May Heighten Tensions With Ethiopia

[Somalia's recent request to Italy for \$5,600,000 worth of arms and equipment may aggravate tensions between Somalia and neighboring Ethiopia. These were intensified earlier this month when the Somali prime minister publicly accused Ethiopian Emperor Haile Selassie of seeking during his current trip abroad international support for a policy aimed against Somalia's independence and toward the eventual absorption of Somalia by Ethiopia. This is violently opposed by Somali nationalists, who hope instead to bring about the union in one state of the approximately 2,500,000 ethnic Somalis who are now divided among five separate political jurisdictions, including Ethiopia.]

[While the materiel sought by the Somalis is allegedly for internal security purposes only, the list provided the Italians includes such items as light tanks or scout cars, mortars, and bazookas intended for Somali border guards along the disputed and already highly volatile frontier with Ethiopia. Even if these items were omitted, however, Addis Ababa could be expected to react strongly against any significant strengthening of Somalia's present 3,500-man security force. New efforts by Ethiopia to bolster its own military establishment would probably follow and could lead ultimately to the acceptance of arms from the Soviet bloc, with which Addis Ababa has recently expanded its ties.]

[Rome has not yet reached a decision on the Somali request. However, an Italian Foreign Ministry official, who indicated on 29 July that Italy would have difficulty fulfilling it, also hinted that Rome might provide the Somalis with limited funds with which to purchase at least some of the equipment they desire from other Western suppliers. Failure to provide some satisfaction to Somali officials on the arms issue--about which they feel strongly--might prompt Mogadiscio to look to non-Western sources.]

[REDACTED]

[REDACTED]

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III. THE WEST**Attempt Against Fidel Castro Regime May Occur Soon**

[REDACTED]

an active conspiracy exists against the government of Cuban Prime Minister Castro. The coup effort, which most sources indicate will be launched in the near future, would include attempts to assassinate Fidel Castro and his brother Raul, chief of the armed forces. A revolt of a portion of the armed forces would be coordinated with landings of armed groups from the Dominican Republic.

A key figure in the conspiracy is William Alexander Morgan, renegade American and former second in command of a guerrilla band that fought independently of the Castro forces during the revolution against the Batista regime. Morgan, now a major in the Cuban Army, is reported to have agreed to defect, taking numerous army colleagues with him. Past reports of Morgan's anti-Castro plotting, his known hostility to "Che" Guevara, an officer close to Castro, and the disillusionment of Morgan and his associates, who expected more influential positions in the Castro regime, suggest that Morgan may well defect. It is very doubtful, however, that he could count on a sufficiently large segment of the military to threaten the regime seriously.

Although Dominican dictator Trujillo is known to be supporting an irregular armed force in the Dominican Republic for use against Castro if he considers it necessary, he is not likely to unleash it prior to the inter-American meeting of foreign ministers scheduled to begin on 12 August. If, however, the Santiago meeting does not produce what Trujillo considers adequate protection against further Cuban-backed rebel incursions into the Dominican Republic, Trujillo may again consider defensive action against Cuba.

Discontent has increased in Cuba, but is not believed to have reached the point where it seriously endangers the regime, and Castro has demonstrated that he still retains the ardent support of the Cuban masses. The American Embassy believes the reported conspiracy would almost certainly fail, but would "add further to the weight of bloodshed and tragedy which Cuba now carries." [REDACTED]

[REDACTED]

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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
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 The Director

National Indications Center
 The Director

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