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CENTRAL INTELLIGENCE BULLETIN



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11 DECEMBER 1958

I. THE COMMUNIST BLOC

USSR introduces draft nuclear-test-control system at Geneva talks; major decisions to be subject to veto.

II. ASIA-AFRICA

Iraqi Government permitting charges of US plotting to go unchallenged.

India reluctant to accept Soviet offer to train 500 steelworkers.

III. THE WEST

Venezuela - President-elect Betancourt planning coalition government of parties committed to seeking larger revenue from US firms.

Guatemala - Rightist groups form front with aim of forcing Ydigoras out of office.

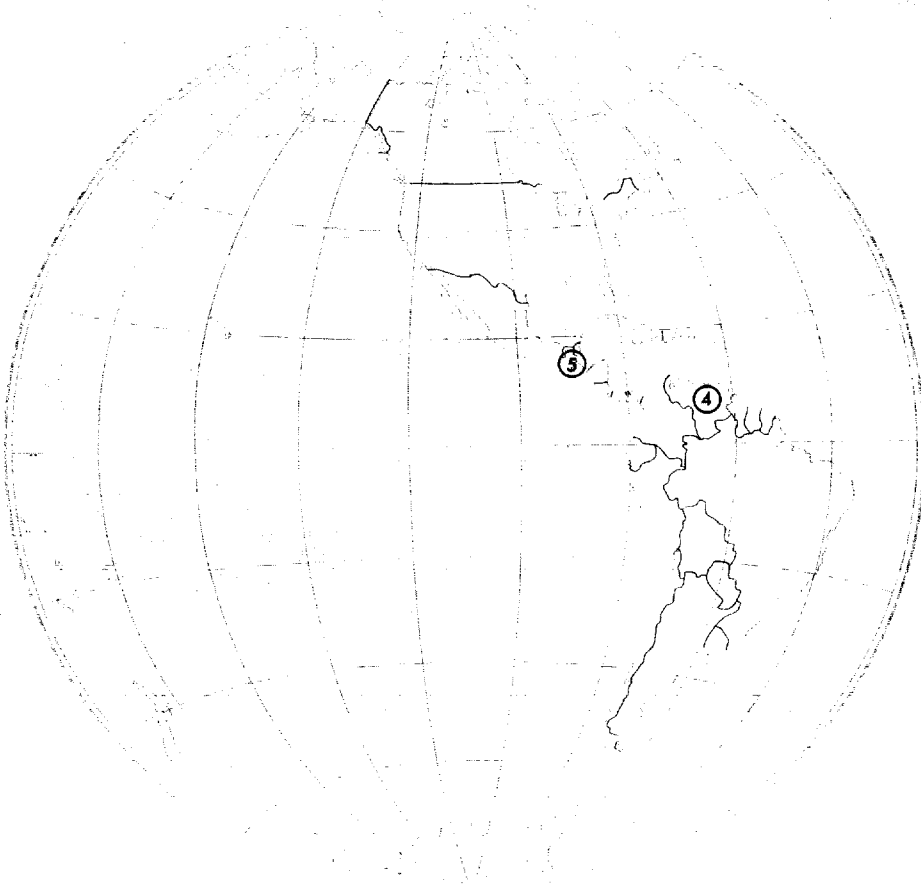
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CENTRAL INTELLIGENCE BULLETIN

11 December 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR--Geneva talks: The Soviet delegate to the test-cessation talks has introduced a text of "basic provisions" for a control system in an effort to create the impression of progress and to counter Western charges that the USSR is refusing to negotiate. Under the Soviet plan, all major decisions in the proposed control commission would be subject to a veto by any of the three "founder states" in the commission; disagreements would be referred to the UN Security Council. [redacted] (Page 1)

Watch Committee conclusion--Berlin: There is no assurance that the USSR will wait for the full six months' period mentioned in the Soviet note of 27 November before transferring to the East Germans control over Allied traffic to Berlin or undertaking harassment of some other sort. Current Soviet efforts in the Berlin situation appear directed primarily toward forcing counterproposals and negotiations with the West. [redacted]

Watch Committee conclusion--Taiwan: The Chinese Communists retain the capability to initiate major military action in the offshore islands area without prior warning. However, the Communists do not appear to intend, in the immediate future, to terminate the self-imposed restriction against interference with resupply operations on alternate days. [redacted]

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II. ASIA-AFRICA

Watch Committee conclusion--Middle East: A deliberate initiation of large-scale hostilities in the Middle East is unlikely in the immediate future, although the situation remains unstable throughout the area. The Iraqi and Jordanian internal situations continue to be explosive, and there are reports of plots to overthrow the regimes in both countries. The Israeli-Syrian border situation is also explosive, and Israeli retaliatory raids into Syria may occur if Israel is not satisfied with the UN Security Council's actions or if there are additional serious border incidents.

Iraq: The general atmosphere in Baghdad appears to be tense but quiet. a growing apprehension by the UAR that the upshot of the coup attempt will be new opportunities for the Communists in Iraq.

The Qasim regime is permitting the impression that the United States rather than the UAR is the "foreign power" behind recent plotting to go unchallenged. A Baghdad newspaper has repeated UAR and Soviet propoganda charges that the United States was involved.

OK

India-USSR: The Soviet Union--in further exploitation of its construction of the Bhilai steel mill--has offered to pay all costs of training 500 skilled Indian steelworkers in the Soviet Union. New Delhi is reluctant to accept the offer. An Indian official states that 60 workers recently trained in the USSR have shown susceptibility to Soviet propoganda. The training of Indian workers in the Soviet Union would assist the Communist-controlled All-India Trade Union Congress in its vigorous drive to gain control of the country's steelworkers. (Page 3)

11 Dec 58

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~

III. THE WEST

Venezuela: President-elect Romulo Betancourt--in line with pre-election statements--apparently plans a coalition government which will include the two other major parties along with his own leftist Democratic Action party. The Communists will probably be excluded. All three coalition parties are committed to seek social reforms and a larger share of profits from US-owned oil companies. Betancourt may consider establishing diplomatic relations with the Soviet bloc. Long-standing antagonism between Betancourt and the military raises the possibility of a coup attempt. However, plotting at this time is not believed to be in an advanced stage.

OK

Guatemala: Several rightist political groups have joined in a "national anti-Communist front" to attempt to force President Ydigoras out of office through a series of planned public demonstrations. While Ydigoras lacks an effective political machine, he is believed to retain the backing of the army. An armed clash between the police and demonstrators would further weaken his position, however.

(Page 4)

11 Dec 58

DAILY BRIEF

iii

~~TOP SECRET~~

I. THE COMMUNIST BLOC

Soviet Union Introduces "Basic Provisions" for Test-Control System

The long, detailed Soviet text of "basic provisions" for a control system to supervise a nuclear-test cessation probably is designed to create the impression of substantial progress toward agreement before the Christmas recess and undercut Western charges that the USSR refuses to discuss details. The plan, introduced on 9 December at the Geneva talks, is intended to appear comprehensive in scope, but it fails to include the guarantees suggested previously by the West.

The USSR insists that all substantive decisions of the control "commission" be subject to a veto by any of the three "founder states" in the commission and that disputes be referred to the UN Security Council. The plan also fails to meet Western requirements on other major issues. It does not provide for a truly international organization, requiring instead that all personnel at the control posts, except for one or two senior officials, be nationals of the country in which the post is located. Soviet delegate Tsarapkin contended that his proposals were based on the report of the Geneva technical talks last summer or, in some cases, on the views expressed by the Soviet expert. Tsarapkin also alleged that these "basic draft provisions" were sufficient and that all other details should be covered in agreements drafted by the organization itself.

Tsarapkin's insistence that the Soviet control plan is derived from the Geneva technical report will probably be used by Soviet propaganda as a basis for charges that a Western rejection is another retreat from previous positions and agreements. While the USSR may be willing to compromise on such points as the make-up, privileges, and immunities of control post personnel, and on communication facilities for the control organ, it is unlikely to drop its insistence on unanimity on all important questions.

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In a press conference on 9 December, Tsarapkin firmly rejected majority voting, stating that Moscow "cannot accept an automatic two-to-one majority against it." However, he did tell the Western delegates that it should be possible to find a compromise defining which questions require unanimity and which ones need only a simple majority.

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II. ASIA-AFRICA

USSR Offers to Train 500 Indian Steelworkers

The USSR apparently is attempting to exploit India's need for skilled steelworkers to aid the Communist-controlled All-India Trade Union Congress (AITUC) in its drive to gain control of labor in this vital industry. Moscow officially has offered to pay all the costs of training 500 skilled workers in the Soviet Union for the government steel plants under construction in India.

Despite its acceptance of a \$132,000,000 loan for the construction of the Bhilai steel mill, New Delhi is reluctant to accept the Soviet offer because it fears that the workers will be influenced by Soviet propaganda, as was a group of 60 such workers who recently returned from the USSR. Engineers sent previously to the Soviet Union have proved less susceptible to Soviet propaganda. India, however, may decide it must accept the Soviet offer, since the first units of the Bhilai and Rourkela steel mills have already begun operation and the remaining units--as well as the Durgapur mill--are to be in operation by 1961.

Moscow probably believes Soviet training of the workers would help the AITUC to displace the Indian National Trade Union Congress (INTUC), which is controlled by the Congress party, as the leading Indian labor federation. AITUC, already the dominant union in the steel industry, has increased its strength in recent years, and this trend appears likely to continue.

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III. THE WEST

Political Tensions Rising Again in Guatemala

Uncertainty and tension are mounting in Guatemala in the aftermath of the bitterly contested 7 December municipal elections in which the leftist but non-Communist Revolutionary party (PR) won control of the Guatemala City government.

Rightist political groups blame their defeat on President Ydigoras' refusal to outlaw the PR, and they have joined in a "national anti-Communist front" dedicated to ousting him. These groups, which include some disillusioned former supporters of Ydigoras, have planned a series of public demonstrations at which they intend to accuse the President of knowingly furthering Communist objectives. This charge, though unwarranted, is given credence in rightist circles because of Ydigoras' temporary alliance with pro-Communist groups during his struggle for the presidency in October 1957 and because of his refusal, after becoming President last March, to crush organized labor and take drastic action against the Communists.

The PR, probably Guatemala's strongest single party, was a prime Communist target, but last June strongly anti-Communist leaders consolidated their control and have since been systematically purging Communists and pro-Communists from the party. Extreme rightists, however, still regard the PR as being Communist.

Ydigoras appears to be concerned over the prospect of demonstrations against him on the Communist issue, but he is believed to have decided for the present against suppressing them. If demonstrators should get out of control and bloodshed result, however, his regime could be seriously weakened. Ydigoras has no effective political machine of his own, but he is still believed to have the backing of the military, and this remains his most important asset.

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