





CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/02/21 C03007356

TOP SECRET

8 December 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB Taiwan Strait: The Chinese Communists are continuing their effort to convince foreign visitors that Peiping has "peaceful" intentions in the Taiwan Strait.

> Foreign Minister Chen Yi recently told Japanese Liberal-Democratic party member Matsumura in Peiping that "because of advice from the USSR, among other things," the Chinese will not use force against Taiwan and intend to wait patiently for five or even ten years.

Peiping's propaganda in the past two months has avoided references to the possible use of force against Taiwan. Soviet propaganda, for its part, recently stated in one broadcast that of the two ways to "liberate" Taiwan. possibilities for the "neaceful" way are greatest

USSR-Yemen:

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V)9

Moscow has agreed to aid Yemen in an agricultural land reclamation project using funds remaining under the \$25,000,-000 credit extended in 1956. While the USSR also agreed to provide Yemen with two armed motor launches and two aircraft. Moscow apparently rejected or scaled down a number of other requests made by the Yemeni aid delegations which recently visited the USSR. Moscow, which has had difficulty to date with its military and economic aid programs in Yemen, extended no new credit and apparently received no Yemeni request for such assistance. (Page 1)

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II. ASIA-AFRICA

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Yemen:

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the Imam's efforts to head ou tribal dissidence in northern Yemen have been

disorganized and so far ineffective. Continued failure to put down the rebellion--which still seems limited to one tribe--is likely to encourage other dissident tribesmen in the area to join in active revolt.

Pakistan-India: The Pakistani Government's selection of A. K. Brohi, one of Pakistan's most prominent and able legal experts, as high commissioner to India appears to be another move by President Ayub to promote better relations with New Delhi. Brohi is considered a strong advocate of closer ties. Ayub probably feels Brohi's experience as a UN delegate and skill as a negotiator will be useful in the Indo-Pakistani negotiations anticipated by Pakistani leaders. (Page 2)

III. THE WEST

Cyprus: New difficulty in negotiating the status of the important American facilities on Cyprus may be foreshadowed by Archbishop Makarios' insistence that the issue be settled bilaterally with the new Cyprus government rather than multilaterally in London. Makarios had earlier agreed to holding the talks in London. He apparently continues to favor keeping the facilities on Cyprus but will probably seek compensation. He earlier warned."You will have to pay us something."

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Venezuela: The arrest in Mexico of several exiled Venezuelan officers on charges of preparing an invasion of Venezuela lends credibility to reports that such an attempt is being planned, possibly with external financial support from Dominican dictator Trujillo and former Venezuelan dictator Perez Jimenez. Rumors of a coup attempt sometime during December by disaffected Venezuelan military elements against the coalition of President Betancourt are circulating with increasing frequency in Caracas. Betancourt is believed to retain the support of the majority of the armed

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forces and the overwhelming backing of civilian groups. The plotters are apparently deluding themselves that the time is ripe for an attempt in view of alleged difficulties in negotiations for a new labor contract in the key oil industry and the government's recent financial and exchange problems which have provoked considerable public uncertainty

Iteru. INavy Minister Tirado, reacting to a report from the Peruvian Embassy in Washington saying that Peru will not receive the funds allocated it under the Mutual Security
Act, indicated to a US Embassy officer that he would consider such an action a direct reprisal against Peru for purchasing a second British cruiser. Tirado added that, if the report is confirmed, he will demand the withdrawal of the US Naval Mission in Peru. Peru's purchase of a second cruiser undercuts a recent move by West Coast Latin American countries toward cooperation in limiting military spending.

(Page 4)

Panama: Foreign Minister Miguel Moreno told the US ambassador that the Panamanian Government will issue a press statement in the next day or two declaring that "no progress whatsoever" has been made in the recent negotiations of US-Panamanian differences. Panamanian student groups are believed to be organizing a new anti-US demonstration for 12 December.

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I. THE COMMUNIST BLOC

Results of Recent Soviet-Yemeni Aid Talks in Moscow

During the recent visit of the Imam's brother to the Soviet Union, Moscow agreed to support a Yemeni land reclamation project--using uncommitted funds from the \$25,000,000 economic credit extended in 1956. The Soviet Union, which had previously offered to aid Yemeni agriculture, will send a small group of experts at its own expense to conduct preliminary feasibility surveys.

A Yemeni request for Soviet aid in building an "international airport" apparently was side-stepped, as were some other minor requests for Soviet aid. The bloc now is building three airfields in Yemen. The Yemeni delegation also asked Moscow to provide three IL-14 transport aircraft and two helicopters; the Soviet Union agreed to supply one of each. Moscow agreed to supply Yemen with two armed motor launches "at the first opportunity." The only other request for military aid involved 10 parachutes.

While no offers of Soviet financial aid were made, the Yemeni mission apparently neither expected nor asked for any. Moscow's perfunctory treatment of the Imam's delegation apparently did not offend the head of the Yemeni group, who stayed in the Soviet Union "no longer than necessary for the purposes of courtesy and discussion."



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II. ASIA-AFRICA

Latest Pakistani Move to Improve Relations With India

The Pakistani Government's selection of A. K. Brohi, an outstanding legal expert, as high commissioner to India appears to be another move by President Ayub to promote better relations with New Delhi. Brohi is regarded as a strong advocate of closer ties with India. He has considerable stature as a constitutional lawyer and will probably gain the respect of Indian officials. Ayub may feel that Brohi's experience as a UN delegate will be useful in future efforts to settle the Kashmir dispute.

Relations between Pakistan and India have improved markedly since Pakistan's military government came to power, and even more since the increase in Chinese Communist pressure on the Himalayan border area. The two countries are beginning to make real progress in settling border and financial issues that have troubled their relations since the partition of British India in 1947. On 3 December the two countries announced a new payments agreement intended to increase their mutual trade.

Pakistan's government-monitored press has recently curbed its hostile attitude toward India, and the Indian press has toned down its criticism of Pakistan. In editorializing on President Eisenhower's current visit to the subcontinent, newspapers in both countries have anticipated that he will try to bring India and Pakistan closer together and have implied that such an effort would be welcomed.

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Cyprus

(The procedure to be followed in assuring continued operation of American facilities on Cyprus after the island becomes independent next February is uncertain following a change in Archbishop Makarios' position on this issue. Makarios originally suggested that the subject be discussed by US representatives and Cypriot leaders. He later agreed to have the Joint Committee in London, composed of British, Greek, Turk, and Cypriot representatives, take up the matter and accept in principle the continuation of existing arrangements between the US and UK. Details of a final agreement were to be negotiated by American and Cypriot representatives after Cyprus became independent. On 5 December, however, Makarios reverted to his original position.]

The US maintains an FBIS monitoring station near Kyrenia and a Department of State radio relay station and certain other activities near Nicosia. The Zurich-London Agreements of 19 February 1959 provide that the new Republic of Cyprus will assume "appropriate obligations" of the present government.7

Makrios repeatedly has indicated that continued operation of these facilities is acceptable to him but has also warned that compensation for this "hospitality" will be expected. No further action on the question is anticipated prior to the Cypriot presidential election on 13 December.

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III. THE WEST

The Peruvian Situation

Peruvian Navy Minister Tirado charged on 4 December that the United States was planning direct reprisal against Peru for purchasing a second cruiser from the United Kingdom. Reacting to a report from the Peruvian Embassy in Washington saying that Peru would not receive funds allocated it under the Mutual Security Act, Tirado told a US Embassy officer that, if the report were confirmed, he would demand the withdrawal of the US Naval Mission in Peru or, failing that, would resign from the cabinet.

The disclosure of Peru's purchase of a British cruiser late in October had sharp repercussions in Chile and led to concurrent Peruvian-Chilean proposals for cooperation among West Coast Latin American countries in limiting military spending. Peru's second purchase, which was consummated last October but kept secret until early December, undercuts the proposals for arms limitation and may revive a destructive armaments race among Peru and its neighbors. Chile has been offered several British ships, including a battleship, at low cost and now may feel impelled to accept the offer. The United Kingdom, however, has agreed to consult with the United States on the sale of any battleship to Latin America.]

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New Anti-US Demonstrations Planned in Panama

(Military intelligence sources and items in the Panamanian press have reported plans of extremist student groups to stage another anti-US march and meeting on 12 December. The demonstration would celebrate Panamanian rejection, as the result of mob action, of an agreement on US bases in 1947.

Foreign Minister Miguel Moreno told the US ambassador on 4 December that the Panamanian Government will publish a statement within a few days declaring that in spite of the recent conversations, the US has not made any substantial or specific offers to Panama, and "no progress whatsoever" has been made in the negotiation of US-Panamanian differences. He added that the administration felt obliged to tell the Panamanian people, whose hopes of more canal benefits have been raised by recent events, that the De la Guardia government regarded the latest US offers as being "entirely unsatisfactory." The publication of such a statement would increase the likelihood of additional disorders.

Unconfirmed reports have also been received that an assassination attempt against US Ambassador Harrington may be made on 8 December, and similar attempts at some indefinite time against the lives of Canal Zone Governor Potter and Panamanian National Guard Commander Vallarino. Plotters are said to include several instigators of the anti-US incidents of 3 and 28 November, who are hoping to force the US to move troops into Panamanian territory, thus causing an international incident which might eventually force the US to relinquish its control of the Canal Zone.

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