



16 NOVEMBER 1959

I. THE COMMUNIST BLOC

Communist China to participate in Brazilian trade fair. Japan is the only country outside the bloc to have indicated definite interest.

II. ASIA-AFRICA

Draft of Indian note to Peiping maintains there can be no negotiations until Chinese forces are withdrawn from Ladakh and Longju.

Friction between Indonesia and Communist China expected to increase as Djakarta enforces restrictions against Chinese aliens.

Yemen--Tribal sheikhs disaffected over Imam's economy measures; seek help from British authorities in Aden for plan to overthrow him.



III. THE WEST

(3) Panama--Anti-US sentiment spreading; serious demonstrations may occur on 18 November.

(6) Cuba may be seeking arms from the bloc; one purchasing mission believed to be in Prague.



CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/02/21 C03157410

16 November 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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<u>Communist China - Brazil:</u> The Chinese Communists have accepted an invitation to take part in the Brazilian trade fair, Japan is the only country outside the bloc that has indicated definite interest in the long-delayed fair, now scheduled to open in May

1960. Peiping's acceptance is in line with its increased interest in Latin America. (Page 1)

II. ASIA-AFRICA

India - Communist China: Indian officials have drafted a reply to Chou En-lai's proposal for a mutual withdrawal from present frontier positions. The draft is subject to Nehru's approval upon his return to New Delhi. It states that there can be no negotiations until the Chinese withdraw their forces from both Ladakh and the Longju outpost in Assam.

With respect to the Ladakh area,

New Delhi would be willing to keep its forces west of the boundary line claimed by Peiping in return for withdrawal of Chinese forces east of the Indianclaimed border. Subject to agreement on such a buffer-zone plan, the Indians would also concede Chinese occupation, by civil officials only, of the northeastern corner of Ladakh where the Chinese have built a road.

The Chinese are trying to remove the appearance of intransigence. The Communist press in Hong Kong has been instructed to "take every opportunity" to stress China's friendship for India. Premier Chou En-lai recently implied to an Indian leftist that Peiping may eventually compromise by accepting the <u>Mc Mahon line if New Delhi makes some "concessions" in Ladakh.</u>)

(Map) on reverse of page)



Indonesia - Communist China: Friction between Indonesia and Communist China can be expected to increase as Djakarta carries out its ban against alien retailers in rural areas and forces the resettlement of Chinese from rural to urban centers. There are reports of violence by Indonesians against Chinese. The Chinese Communist Embassy has reportedly instructed Chinese to resist resettlement and protested to President Sukarno against the establishment of "concentration camps" to house uprooted Chinese.) (Page 2)

Yemen: (The Imam's efforts to improve his financial situation by recalling subsidy payments made to tribal elements may be costing him their essential support.

dissident tribal sheikhs are seeking encouragement from British authorities in Aden for a plan to overthrow the Yemeni monarch. Resentment of the Imam's economy measures probably is widespread throughout the army as well, but there is as yet no evidence of military plotting against him.) (Page 3)

III. THE WEST

Panama: (Bitter anti-US sentiment is spreading rapidly throughout Panama. Planning continues for the 28 November march to the Canal Zone with the prospect of more violence than that of 3 November. There now are indications that serious demonstrations against the United States will occur on 18 November, the anniversary of the signing of the 1903 treaty between Panama and the US. An influential Panamanian businessman has said privately that in the event of another emergency no decisive action can be expected from President Ernesto de la Guardia.)

<u>Cuba:</u> (At least one of the several Cuban military purchasing missions now in Europe is believed to be in Prague. The Cubans are in search of a number of types of arms and aircraft, reportedly including Soviet MIGs. Fidel Castro has accused the United States of trying to keep Cuba defenseless by pressing the British not to supply jet aircraft to Cuba. Castro implied that Cuba may be forced to make such purchases in the Soviet bloc.)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Brazilian Fair Attracts Chinese Communist Interest

The Chinese Communist Commission for the Encouragement of International Trade has accepted an invitation to participate in the Brazilian International Trade Fair of Commerce and Industry,

was willing to send an "artistic group" of about 90 persons to give performances during the exposition and that he was trying to make the arrangement. He requested the collaboration of the Chinese-Brazilian cultural association.

Peiping has not participated in any previous Latin American trade fair. Acceptance of this invitation may reflect Peiping's desire to exacerbate US-Brazilian relations, as well as to follow up its successful tour of acrobats in South America in 1958-1959. It could strengthen the growing Latin American interest in granting UN status and recognition to Communist China.

Japan is the only country outside the Soviet bloc which has expressed definite interest in the long-delayed Brazilian fair, which was originally scheduled to open in 1957 but now has a target date of May 1960. Poland, Czechoslovakia, and Japan signed up in 1957. The poor organization and delays connected with the fair have discouraged most Western countries. East German participation in the fair was reportedly welcomed by Dr. Jose Garrido Torrez, leading Brazilian economist, during a press conference in East Germany on 22 October. Soviet participation also seems likely, in view of the approaching visit to Moscow of a Brazilian trade mission as well as the USSR's exhibit in Argentina in 1957-1958 and its exposition opening in Mexico City on 22 November using many items displayed in New York last summer.



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II. ASIA-AFRICA

Sino-Indonesian Friction Likely to Increase

Friction between Peiping and Djakarta, already relatively high over the issue of Overseas Chinese, can be expected to increase as the Indonesian Government accelerates and Peiping seeks to obstruct implementation of two executive orders affecting Chinese in rural areas. One of the orders bans alien retailers in rural areas effective 1 January 1960. The second requires all Chinese, regardless of occupation, to leave rural areas unless they become employees of succeeding retail organizations.

Already several dozen Chinese near Tjibadak, West Java, are reported to have been beaten for resisting resettlement. According to unconfirmed, and probably exaggerated, information which reached the US consulate in Surabaya, 200 to 300 Chinese were killed or wounded near Pontianak, Borneo.

(The Chinese Embassy in Djakarta, which has exerted very strong pressure for the repeal of the Indonesian orders, reportedly has instructed rural Chinese to resist resettlement. The Chinese ambassador is said to have sent a letter of protest directly to President Sukarno accusing the Indonesian Government of establishing "concentration camps" in West Java to house uprooted Chinese. Sukarno, angered by the term "concentration camps," has directed that resettlement continue.)

Peiping has instructed the Hong Kong Communist press to mount a series of strong attacks on Djakarta's treatment of Overseas Chinese.) Since 2 November, Communist-controlled papers in the colony have featured articles critical of Indonesian restrictions on Chinese retailers. The mainland press has thus far made no comment. Use of the Hong Kong Communist press suggests that Peiping intends to conceal from other Asian countries the full extent of its pressure on Indonesia and to create the impression that Chinese outside Communist China are outraged by the persecution of their "brothers" in Indonesia.

__CONFIDENTIAL

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Imam's Economy Measures Cause Yemeni Tribal Dissidence

A group of Yemeni tribesmen, alienated by the Imam's efforts to take back subsidies given them by Crown Prince Badr, plans to send a delegation to the Aden protectorate in search of British support to overthrow the Yemeni monarch.

on 3 November when a prominent Yemeni sheikh delivered a note and outlined the plans of the dissident tribesmen.

, there is wide support in Yemen for a movement to establish a "democratic republic." The plotters allegedly have plans for destroying the government radio station and military aircraft and arousing other tribes.

Tribal dissatisfaction appears to be a direct result of the Imam's recent moves to improve Yemen's serious financial difficulties. Crown Prince Badr bought tribal allegiance during the crisis which occurred when the Imam was vacationing last summer; these payments now are the target of the Imam's economy measures. In addition, the Imam has canceled Badr's pay increases to the army, creating another element of potential dissidence, although there is no evidence as yet of military support for any move against the monarchy.

The approach to the British comes on the eve of a visit to Yemen by the Governor of Aden, scheduled to begin on 20 November and designed to "contribute to the easing of tension between Yemen and Aden." The visit is not considered formal, but may be followed by additional British-Yemeni talks of an official nature. Governor Luce told the American consul in Aden earlier this month that he favored financial aid to Yemen, which he felt would "accord with British interest in perpetuating the present Imam's regime.")

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III. THE WEST

Cuba May Purchase Military Equipment From Soviet Bloc

At least one of the several Cuban military purchasing missions now in Europe is believed to be in Prague. The Cubans are in search of a number of types of arms and aircraft, reportedly including Soviet MIGs. Fidel Castro himself has accused the United States of trying to keep Cuba defenseless by urging Britain not to provide it with jets in exchange for the piston-type planes Cuba already has. Castro implied that Cuba may be forced to make such purchases in the Soviet bloc.

a Cuban mission--which had just concluded the purchase of jet aircraft and artillery pieces in Italy-was planning to go on to Czechoslovakia, which he alleged had offered Cuba a \$20,000,000 credit.

The extremist, anti-US leaders now dominating the Cuban Government appear anxious to promote trade with the Soviet bloc as a means of shifting the pattern of Cuba's international trade away from dependence on the US market.



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