12 February 1959

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CENTRAL

INTELLIGENCE

BULLETIN



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Approved For Release 2002/09/04 : CIA-RDP79T00975A004300260001-5	
CENTRAL INTELLIGENCE BULLETIN	
25X1 12 F ebruary 1959	
DAILY BRIEF	
I. THE COMMUNIST BLOC	
Iran-USSR: Following the breakoff in Soviet-Iranian	
negotiations on 10 February, Iranian Prime Minister Eqbal expressed great concern over the threat of dangerous repercussions which he claimed the Russians said would "become manifest shortly." According to Eqbal, the last session of the negotiations was very heated. The Soviet representatives became "abusive, insulting, and very threatening," and left with the foreign minister a lengthy document of "accusations, in-	1
sults, and threats."	25
Watch Committee conclusionsMiddle East: Situations susceptible of direct exploitation by Sino-Soviet hostile action which would jeopardize US interests exist in the Middle East, particularly in Iran and Iraq. Iran: With the breakdown of Iranian-Soviet negotiations and the anticipated signing of an Iranian-US bilateral agreement, the USSR will certainly retaliate with violent propaganda, strong economic and diplomatic pressure, and probably with subversive and other measures short of direct military action. Middle East: Elsewhere in the Middle East, although the situation remains precarious, a deliberate initiation of large-scale hostilities is unlikely in the immediate future.	25
II. ASIA-AFRICA	
Yemen-USSR: Yemen, under the influence of pro-Soviet Crown Prince Badr, now has concluded an aid agreement with the USSR for 10,000 tons of wheat. The first Soviet wheat ship- ment is scheduled to arrive at the Yemeni port of Hodeida about 20 February. The first American aid wheat is to arrive at Mocha about 12 February.	25 X1

5X1		Approved For Release 2002/09/04 : CIA-RDP79T00975A004300260001-5	
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	0/<	Laos: The Laotian Government announced on 11 February that it is no longer bound by the 1954 Geneva Agreements. This action will probably provoke strong adverse reactions not only from France but from the Sino-Soviet bloc and India as well. It will end exclusive French control of Laotian military training.	25X1
5 X 1		will end exclusive French control of Laotian military training.	
		III. THE WEST	X1
5 X 1	OK	Venezuela: The government is taking extensive precautions to prevent further mob violence in Caracas and to ensure accomplishment of Romulo Betancourt's inauguration on 13 February. There are, however, rumors of a coup attempt by dissident junior officers, and the atmosphere remains tense.	
		12 Feb 59 DAILY BRIEF ii	
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I. THE COMMUNIST BLOC

Iranian-Soviet Negotiations Broken Off After Heated Exchange

Iranian-Soviet negotiations on a nonaggression pact, which had been in progress for nearly two weeks, ended abruptly about midnight on 10 February following a heated exchange, according to Iranian Prime Minister Eqbal. The special Soviet delegation headed by Deputy Foreign Minister Semenov departed for Moscow in anger, leaving with Foreign Minister Hekmat a 14-page document of threats and accusations.

Eqbal said the Soviet representatives became "abusive, insulting, and very threatening" during the final session and gave the impression that Moscow was almost at the point of severing diplomatic relations with Iran. He said the Russians accused the Iranian Government, the Shah, and himself of failure to represent the Iranian people, of being "abject lackeys" of the United States, and of leading the country along the path to disaster.

The Shah and Eqbal are greatly concerned over possible "dangerous repercussions" from the Soviet Union which the Russian representatives warned would "become manifest shortly." The Shah, through Eqbal, even appealed urgently for an American declaration "within the next 24 to 48 hours" to the effect that the United States "will defend Iran in the same manner as American territory."

Moscow can be expected to follow up with a propaganda campaign aimed at discrediting the Shah's regime. The American ambassador in Tehran believes that this could result in "serious internal political damage" to the regime.

Other possible Soviet measures include military demonstrations on the frontier and threats to exercise the right to advance troops into Iran under the 1921 treaty. The Kremlin might also

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encourage dissident groups and stimulate labor trouble or sabotage by Arab workers in Iran's oil fields. Moscow furthermore could cause some disruption of the Iranian economy by cutting off trade; in 1958 bloc countries received 11 percent of Iran's exports and provided 25 percent of its imports.

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Laos Repudiates 1954 Geneva Agreements

The Laotian Government, in a move apparently designed to free itself from exclusive French control of military training, has announced that it no longer considers Laos bound by the restrictive 1954 Geneva Agreements. The formal statement recounts Laos' fulfillment of its obligations under the 1954 armistice and points out that as a fully independent and sovereign nation, it cannot tolerate foreign intervention in its affairs. An immediate consequence of this act is that it provides a legal basis for introducing American military training into Laos. It also precludes reactivation of the International Control Commission in Laos, as sought by the Communist bloc and India.)

Like France, which recently has shown renewed determination to maintain its special position in Laos, the Communists are expected to react sharply. The Sino-Soviet bloc, which maintains that the Geneva Agreements are applicable to Laos and Cambodia pending Vietnam's reunification, looks upon them as an effective device to frustrate American efforts to increase the anti-Communist defenses of these countries. India, in its capacity as ICC chairman and in an effort to preserve the status quo in Indochina, previously has expressed strong fears that any unilateral abrogation of the 1954 armistice machinery by the West might provoke Communist military reaction.

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Tension Surrounds Venezuelan Presidential Inauguration

The explosive atmosphere surrounding the preparations for inauguration of Romulo Betancourt as president of Venezuela on 13 February is pointed up by serious mob violence in Caracas on 10 February and rumors of a coup attempt by dissident junior officers. The situation is complicated by the concentration of disorderly opposition elements in the politically strategic Federal District, where Betancourt has only limited support. Leaders of Betancourt's Democratic Action party (AD) have for some weeks feared disturbances, plots to block the inauguration, and even possible assassination attempts against the president-elect. There have been several incidents of mass opposition to Betancourt in Caracas since his electoral victory last December. The government is taking extensive precautions to protect visiting foreign delegations and to control any outbreaks of violence.

X1 Larrazabal, the popular former junta president, has kept himself in the political spotlight by appearances at public ceremonies, especially during the recent visit of Fidel Castro. There is some indication that he may postpone assuming his ambassadorial assignment in Chile until after the inauguration. His presence in Caracas on 13 February would be an embarrassment to Betancourt and could possibly provoke disorders. Betancourt apparently has made progress in alleviating the traditional military hostility toward himself and his party. The top military thus far have backed the election results The loyalty of the navy, however, which was solidly behind Larrazabal during his junta presidency and is still headed by his brother, has been questioned.		delegations and to control any outbreaks of violence.
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Director of the Budget

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Board of Consultants on Foreign Intelligence Activities

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The Secretary of the Treasury

The Department of State

The Secretary of State

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