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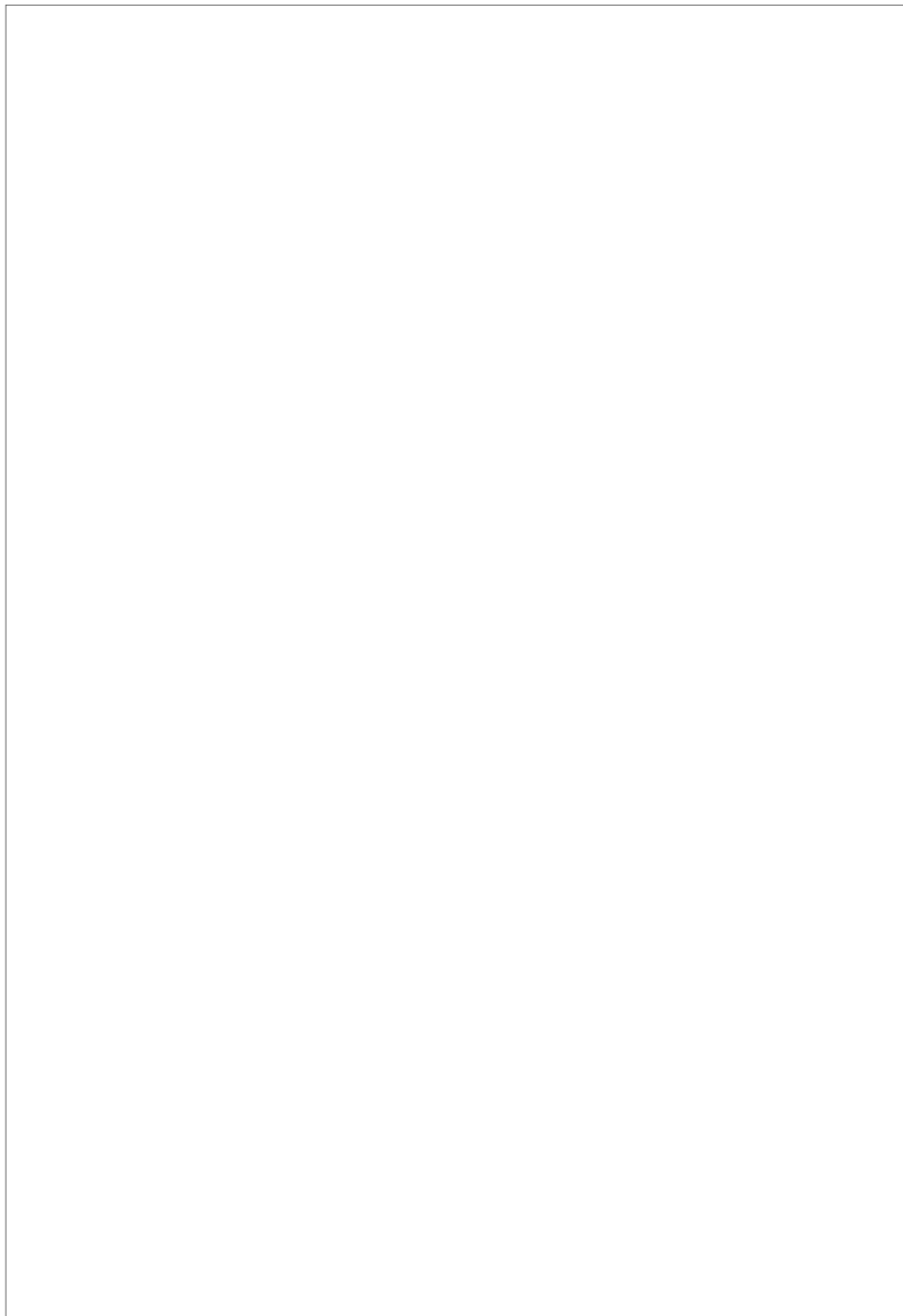
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CENTRAL INTELLIGENCE BULLETIN



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4 NOVEMBER 1959

I. THE COMMUNIST BLOC

Soviet UN delegate's warning that a French nuclear test would "free" USSR to resume testing believed made for political effect rather than as an expression of intent.

Peiping refuses Nehru's request that Chinese troops be withdrawn from border posts preliminary to negotiations; India to strengthen its forces in the area.

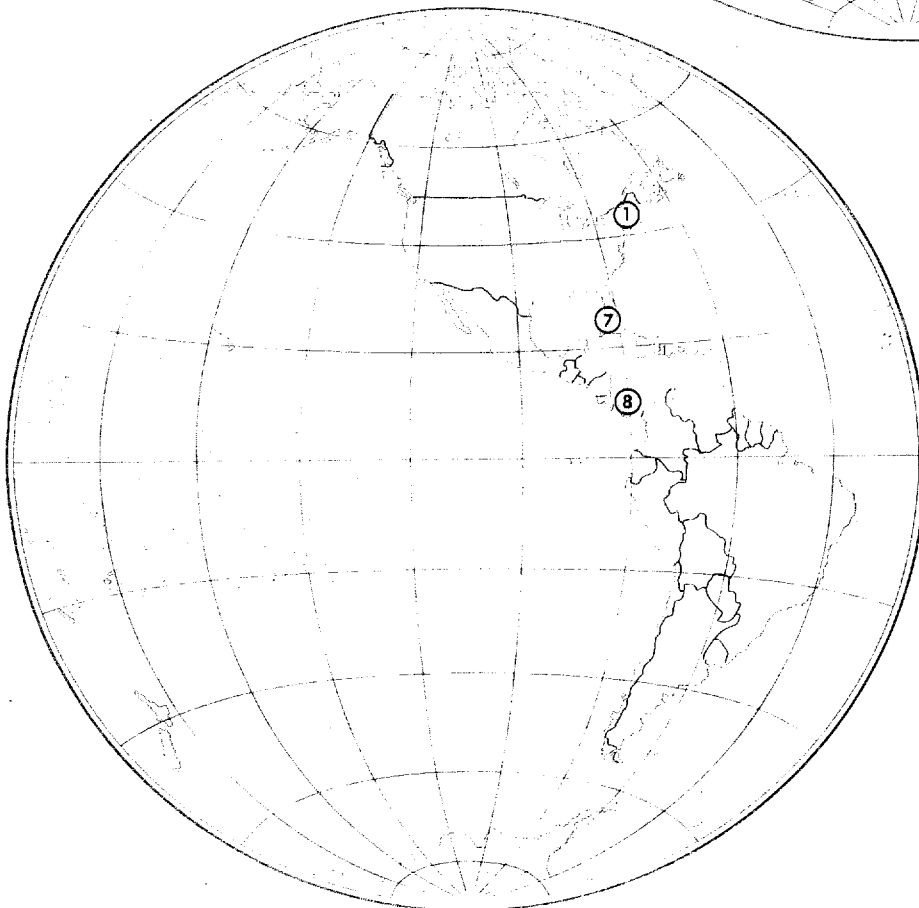
II. ASIA-AFRICA

Egypt and Sudan reportedly reach agreement on sharing of Nile waters, opening way for construction of Aswan High Dam.

Prospects improve for resumption of diplomatic relations between UAR and Britain.

Moroccan crown prince and King upset by UAR vice president's refusal of invitation to national day celebration.

Pakistani President to invite Afghan foreign minister to Karachi for discussion of Pushtoonistan problem.



III. THE WEST

⑦ Official Cuban paper advocates inviting Mikoyan, who is going to Mexico, to visit Cuba.

LATE ITEM

⑧ Panama--Further anti-American outbreaks may follow yesterday's disorder.

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CENTRAL INTELLIGENCE BULLETIN

4 November 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

no

USSR-France: (In an apparent effort to increase support for the draft Moroccan resolution which calls on France to refrain from beginning nuclear testing, the Soviet chief delegate to the United Nations is warning [redacted] that such French action would free the USSR to resume testing. In what is probably an accurate reflection of Soviet intentions, the Soviet delegate to the test-cessation talks in Geneva told a UN official recently that the USSR would resume testing only if the United States or Britain did so, giving the impression that a French test would be of no great importance.) [redacted]

Communist China - India: (Chinese Communist officials reportedly have told the Indian ambassador in Peiping there could be no question of Chinese withdrawal from disputed border posts, thus rejecting Nehru's condition for negotiations. Peiping probably feels a withdrawal would be interpreted as bowing to Indian pressure.

OK

New Delhi, estimating that the Chinese, before agreeing to negotiate, will try to expand their occupation of the border territory they claim, reportedly now has decided to counter with the swiftest possible expansion of "Indian presence" in the same areas. Indian forces on the Assam-Tibet frontier apparently are to be augmented by at least one division.) [redacted]

[redacted] (Page 1)

II. ASIA-AFRICA

no

Egypt-Sudan: An agreement reportedly resolving the long dispute between Cairo and Khartoum over the sharing of the Nile waters is scheduled to be signed this week. The terms of the settlement reported by a semi-official Egyptian newspaper

indicate that Egyptian negotiators made major concessions and that most of the Sudanese demands were met. Egypt will receive about 75 percent of the useable Nile flow, according to the report, and will pay the equivalent of \$53,050,000 in indemnities for Sudanese lands to be flooded by the Aswan High Dam. Construction is scheduled to begin next month. [redacted]

no

UAR-Britain: (Relations between London and Cairo have been improving gradually, and further progress toward the resumption of diplomatic relations may be made during the visit to London next week of Salah Salim, a confidant of Nasir. [redacted])

) (Page 2)

no

Morocco-UAR: The UAR ambassador in Rabat, in a message of 30 October, reported that the crown prince and, according to the latter, the King were highly upset that UAR Vice President Amir--busy with his new assignment as Nasir's viceroy in Syria--had canceled a previous acceptance of an invitation to attend the mid-November celebration of Morocco's national holiday. [redacted]

[redacted] The crown prince probably wants Amir to attend to demonstrate to Moroccan radicals and to the Moroccan public that the palace has the support of the UAR. [redacted]

(Page 3)

no

Afghanistan-Pakistan: (President Ayub of Pakistan, after some hesitation, has decided to invite Afghan Foreign Minister Naim to Karachi to explore the possibilities for settling the long-standing Pushtoonistan tribal problem. The Pakistani Government maintains its hard attitude toward Kabul, and may not be able to persuade Naim that the prospects are good enough to justify talks between Daud and Ayub. [redacted])

Afghan Prime Minister Daud has suggested that Naim discuss these possibilities before Daud himself accepts Ayub's invitation of 19 October to visit Karachi. [redacted] (Page 4)

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DAILY BRIEF

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III. THE WEST

OK
*Cuba-USSR: On 3 November Revolucion, the official daily of Fidel Castro's "26th of July Movement," advocated that Soviet Deputy Premier Mikoyan, who will inaugurate the Soviet exhibition in Mexico on 22 November, be invited to visit Cuba as a prelude to the resumption of diplomatic relations and to expanded trade between Cuba and the USSR. [redacted] (Page 5)

LATE ITEM

OK
*Panama: Further anti-American rioting and attempted incursions into the Canal Zone may follow yesterday's outbreaks. The wounding of several Panamanians by US troops, who defended Canal Zone entrances when the Panamanian National Guard failed to do so, may serve as a pretext for extremists to provoke additional disorder during the next few days. Panamanian grievances against the American administration of the Canal Zone are being exploited by nationalist politicians maneuvering in anticipation of next May's presidential election. The corrupt ruling oligarchy in Panama appears willing to use anti-American sentiment regarding the Canal Zone in order to divert attention from the underlying social discontent of the lower income groups. [redacted]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Peiping Rejects Nehru's Call for Troop Withdrawal

Despite indications that Peiping is willing to negotiate the Sino-Indian border dispute and head off a possible shift in New Delhi's nonalignment policy, Communist China has rejected Nehru's stipulation that Chinese troops must first withdraw from disputed outposts. The Chinese reportedly have told the Indian ambassador in Peiping that they are merely occupying their own territory and there could be no question of withdrawing before negotiations. This stand is in line with Mao Tse-tung's recent remark that there should be no "prior conditions" to negotiations and indicates Peiping's view that withdrawal would weaken its negotiating position and would be interpreted as bowing to Indian pressure.

New Delhi, estimating that the Chinese will try to expand their occupation of the territory in dispute before agreeing to negotiations, apparently has decided on a policy of countering Peiping's moves with the swiftest possible expansion of "Indian presence." Nehru's insistence on the McMahon line in the east in contrast to his less rigid position on the more remote portions of Ladakh is based on Indian Army estimates that only a frontier following the highest ranges of the Himalayas is militarily defensible.

Despite Indian concern over the extent to which military units can safely be withdrawn from the West Pakistan border, a decision apparently has been made to reduce "substantially" reserve forces in this area, and at least one army division, [redacted] is being moved to the northeastern frontier region in Assam.

As Indian units are moved up to the border, the likelihood of further clashes will increase. According to press reports, Indian Canberra jet bombers are making daily survey flights along the northeast frontier, where Chinese and Indian forces clashed in September. [redacted]

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II. ASIA-AFRICA

Further Improvement in UK-UAR Relations Expected Soon

Further progress toward the restoration of diplomatic relations between London and Cairo may be made during the visit to London next week of Salah Salim, a confidant of Nasir. In view of Nasir's suspicion of Britain's Middle East policy, the British believe the best they can hope for is an exchange at the chargé level by the end of the year. Nasir complains that the British are still conducting a press campaign against the UAR despite their assertions that they want to restore relations to a businesslike basis as part of the UK policy of getting along with Arab nationalism.

Nasir is believed interested in restoring ties with Britain but may dicker further over details. London, for example, wants to establish consulates in various Egyptian cities and fears Cairo may reciprocally demand consulates in such sensitive areas as Aden and Kuwait. London is encouraging Cairo by offering to make credits available under the government's export credit guarantee system. This seems to be the basis for rumors of a huge British loan offer, which the Foreign Office has told Cairo it cannot make because of demands from the Commonwealth.

Economics Minister Qaysuni reported back to Cairo after his September visit to London--which included talks with Selwyn Lloyd--that the British had proposed credit facilities of up to \$42,000,000 annually, or \$168,000,000 to \$210,000,000 during the UAR's five-year development plan. London is already indirectly providing some credits to individual Egyptian importers and is evidently hopeful of expanding trade once diplomatic relations are re-established. BOAC--excluded from Egypt since Suez--has made plans to resume flights to Cairo by the end of the year.

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Moroccan King and Prince Displeased that UAR Vice President Declines Invitation

The UAR ambassador in Rabat informed Cairo on 30 October that Crown Prince Moulay Hassan, and, according to the prince, King Mohamed V as well, had been perturbed by UAR Vice President Amir's cancellation of his earlier agreement to attend the three-day celebration in mid-November of Morocco's national holiday. The ambassador urged that Amir reconsider his decision.

The ambassador reported that the King had planned friendly references to the UAR in the message he will deliver during the festivities. The ambassador commented, however, that after Amir's refusal, the King must be wondering how Cairo would react to a similar cancellation by the King ten days before the date announced for his visit to Cairo. The King, according to press reports, plans to make an initial and long-postponed visit to Cairo early in January. [redacted]

The prince, who is also army chief of staff and has made two official visits to Cairo in the past few years, apparently hopes that a military demonstration of considerable proportions before an imposing array of distinguished guests might impress left-wing supporters of the Ibrahim government who have sharply attacked his "parade ground" army. The recent presence in Cairo of prominent Moroccan leftists (S Mehdi ben Barka and Mahjoub ben Seddik, both of whom are) suspected of engaging in antimonarchist activities, probably makes it doubly important in the prince's eyes that Vice President Amir attend the Moroccan festivities. [redacted]

Cairo's reluctance to take Amir away from his new assignment as Nasir's viceroy in Syria illustrates the importance attached to his presence there. Since his appointment on 21 October, Amir has been giving his full attention to the economic and political reforms which Cairo hopes will counteract the rising public discontent with Egyptian control over Syrian affairs. [redacted]

[redacted]

~~TOP SECRET~~ [redacted]

Afghan Foreign Minister To Be Invited to Karachi for Talks

Pakistani President Ayub, after some hesitation, has decided to invite Afghan Foreign Minister Naim to Karachi to discuss the Pushtoonistan tribal problem. [REDACTED]

[REDACTED] Ayub had invited Afghan Prime Minister Daud on 19 October, but Daud suggested that Naim should first explore the possibilities for agreement before the heads of the two governments meet. [REDACTED]

The Afghan Government has long been angered by the Pakistani position that there is no bona fide dispute over Pushtoonistan and that the issue is simply Kabul's invention. Daud's primary objective in any meeting at this time would be to secure Pakistani acknowledgment of Pushtoonistan as a legitimate issue. The Pakistani Government, however, still questions the value of a conciliatory approach to Kabul and accordingly may not be able to convince Naim that there are sufficient prospects for progress to justify talks between Daud and Ayub.

President Ayub has privately expressed the opinion that a "shock treatment" is required to persuade Afghanistan to follow a foreign policy more favorable to the free world. He has suggested that the United States threaten to withhold economic assistance unless Kabul changes its outlook. Publicly, the Pakistani Government since early September has been conducting a propaganda counteroffensive to Kabul's Pushtoonistan campaign. Pakistan's delay in inviting Naim to Karachi for preliminary talks further suggests it is not ready to make concessions to the Afghans.

On 28 October, the Pakistani Government arrested an important chief of a Baluchi tribe in the southern portion of the area Kabul calls Pushtoonistan, and local unrest--exploitable by the Afghans--may result. On 1 November, Karachi announced that a Pushtu tribe living in Afghanistan close to the Pakistani border was in revolt against Kabul. In addition, each country claims the other is sending military aircraft across the border in the tribal region. [REDACTED]

~~TOP SECRET~~ [REDACTED]

Cuba May Re-establish Relations With USSR

The Castro government may be planning to resume relations with the USSR and to open trade relations with East Germany. On 3 November the semi-official daily Revolucion urged that Soviet First Deputy Premier Mikoyan be invited to visit Cuba as the first step toward renewed relations and further trade with the USSR. Ambassador Bonsal in Havana has reported that East German economic officials are expected in Cuba soon, and he considers it quite likely that some rapprochement may be contemplated.

Moscow has announced that Mikoyan will inaugurate the Soviet exhibition in Mexico City on 22 November, and it is likely that he would accept an official Cuban invitation. The USSR would welcome the re-establishment of relations with Cuba, broken in 1952, as a means of encouraging nationalistic and anti-American movements throughout Latin America. A Soviet cultural official made an unpublicized visit to Havana in October, and the USSR has ordered 500,000 tons of Cuban sugar during 1959, the largest amount since 1955.

Cuba's foreign policy has been increasingly defiant of the US in the UN, OAS, and elsewhere. Foreign Minister Raul Roa has recently appeared to be more closely identified with the leftist extremists now believed to be dominant in the Castro government. "Che" Guevara, a pro-Communist, who reportedly exercises great influence over Castro in matters of foreign and economic policy, was reliably quoted in March 1959 as being determined to restore diplomatic ties with the Soviet Union.

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