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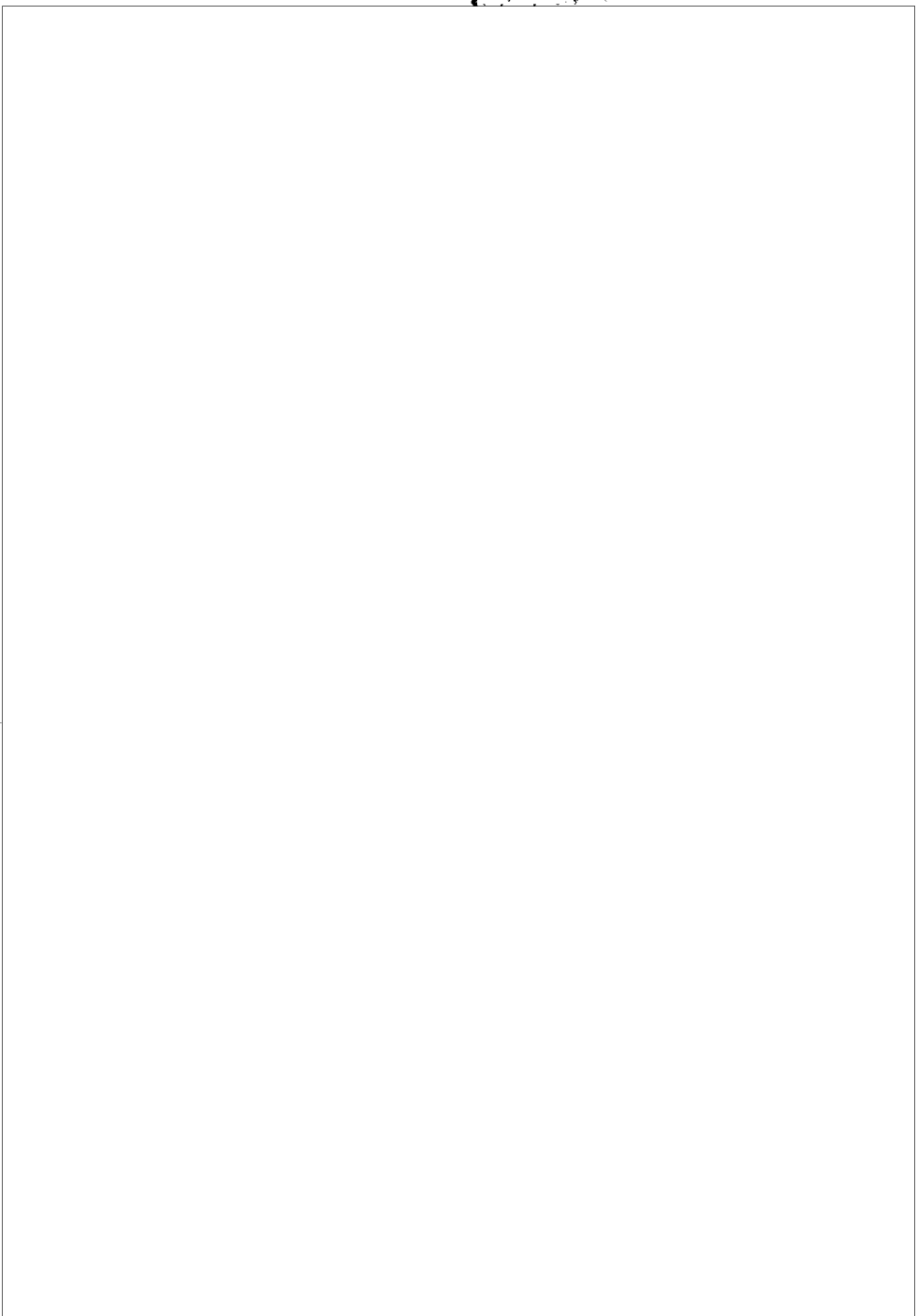
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CENTRAL INTELLIGENCE BULLETIN



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23 NOVEMBER 1959

I. THE COMMUNIST BLOC

USSR offers aid to Mexico; Brazilian trade delegation to visit Moscow.

II. ASIA-AFRICA

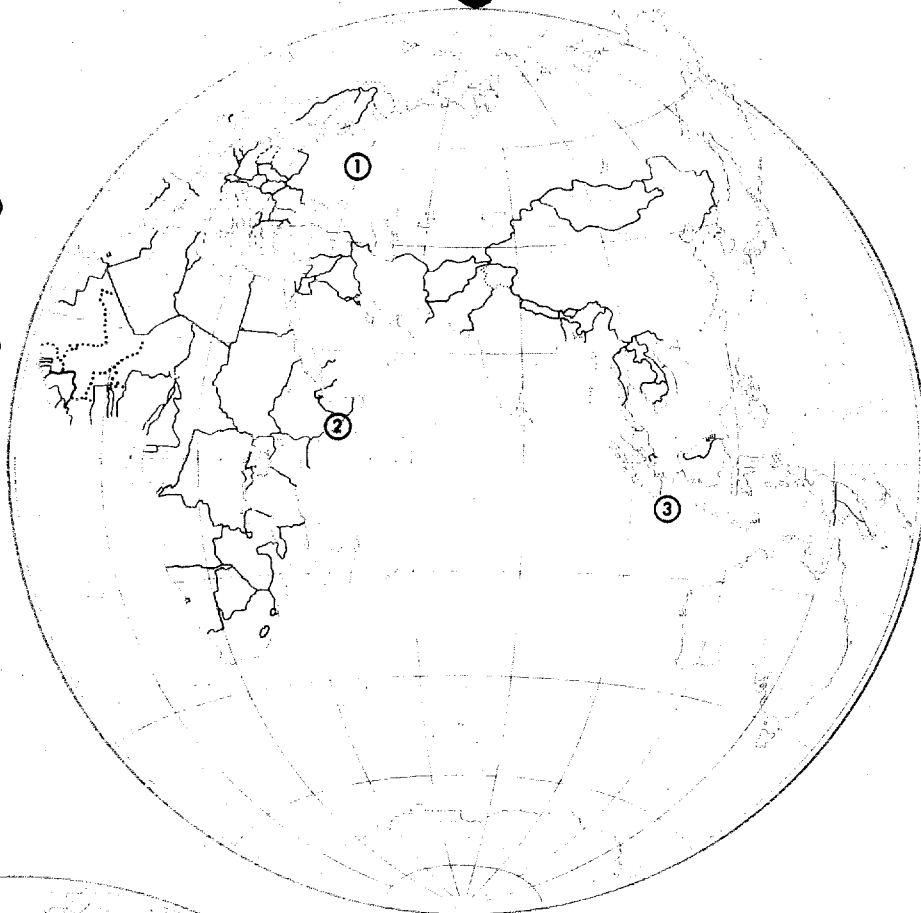
Ethiopia and Somalia border negotiations break down.

Indonesia's relations with Communist China still tense over treatment of Chinese aliens.

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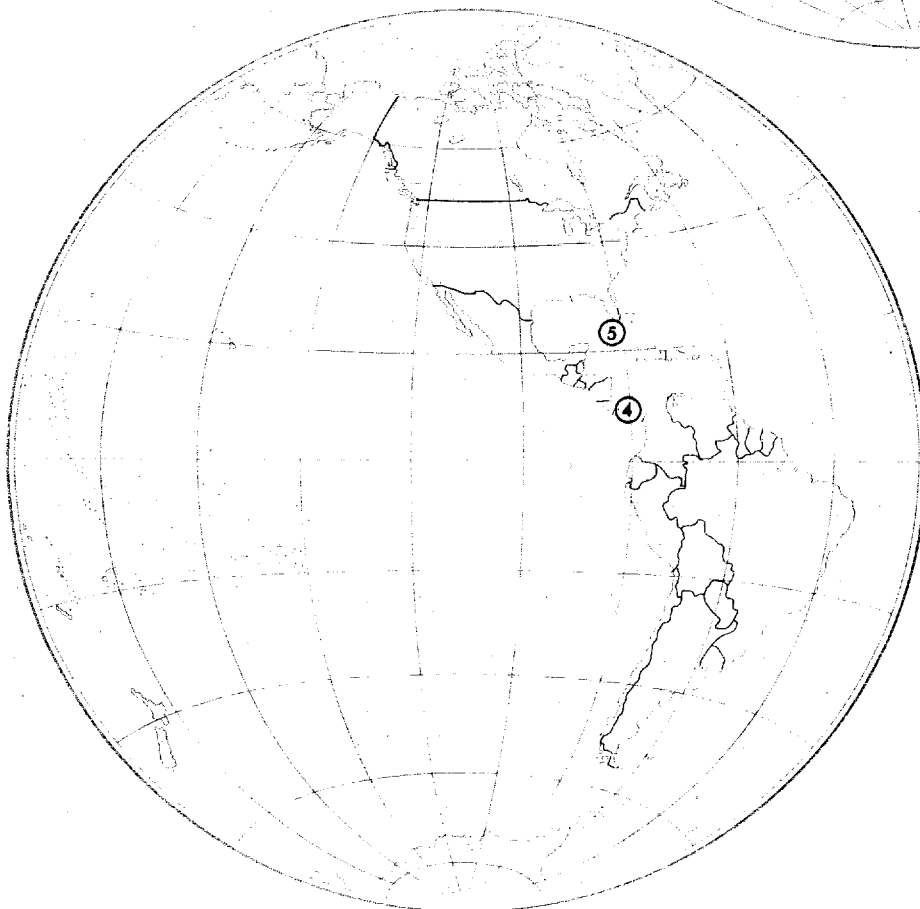
III. THE WEST

④ Panama--Planning continues for march into the Canal Zone on 28 November.

⑤ Cuban Workers' Confederation opposes Castro's attempt to dictate composition of its executive committee.

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CENTRAL INTELLIGENCE BULLETIN

23 November 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR-Mexico-Brazil: Mikoyan is reliably reported to have discussed with Mexican officials a \$100,000,000 credit for economic development. Mexico reportedly considers the offer merely a renewal of earlier proposals made by other Soviet officials visiting Latin America. A Brazilian mission is scheduled to arrive in Moscow on 25 November to explore trade possibilities. The USSR has reportedly also made proposals to Brazil totaling \$100,000,000. Moscow, still seeking to establish a successful economic program somewhere in the Western Hemisphere, probably hopes that an improvement in US-USSR relations will encourage countries of Latin America to expand contacts. [redacted] (Pages 1 and 2)

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II. ASIA-AFRICA

Ethiopia-Somalia UN-conducted negotiations to settle the eight-year border dispute between Ethiopia and the Italian trust territory of Somalia have broken down, according to Italy's UN delegate Vinci. This will further complicate relations between them which were aggravated last summer by Somalia's participation in the formation of a movement designed to achieve unity and independence for all Somali-populated territories, some of which are in Ethiopia. UN officials are considering intervention by Secretary General Hammarskjold to solve the frontier problem before Somalia becomes independent next year. [redacted]

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(Page 3) (Map)

Indonesia - Communist China: The meeting on 20 November between President Sukarno and Chinese Communist Ambassador Huang Chen on Indonesia's treatment of Overseas Chinese resulted in public statements which, although polite, indicated that the tense situation continues and that no change is likely

NO

until Huang receives further instructions from Peiping. Communist China is expected to continue its effort to get the alien resettlement program moderated, but it may soften its tactics to prevent a suspension of diplomatic relations. Indonesian Foreign Minister Subandrio has said that the Soviet ambassador twice approached him with a plea to "keep me out of this."

(Page 4)

III. THE WEST

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Panama: Opposition politicians, labor organizations, and student groups are continuing their plans for a "reaffirmation of sovereignty" march into the Canal Zone on 28 November. Several Cuban reporters have arrived in Panama to cover the expected demonstrations, in response to an invitation sent Latin American newsmen by the director of a government-controlled newspaper. The local press is giving restrained treatment to sensitive US-Panamanian issues and is fully publicizing the Livingston Merchant mission, which it views as an attempt to give sympathetic consideration to Panama's grievances.

ND
Cuba: Fidel Castro's aim of forging the powerful Cuban Workers' Confederation (CTC) into a disciplined prop for his regime received a serious setback during the current CTC congress. A strong anti-Communist faction led by the heads of 24 of the CTC's 33 constituent federations showed surprising defiance of Castro on 21 and 22 November and forced a prolongation of the session. The faction bitterly fought Castro's attempts to railroad through a "unity slate" of candidates for the 36-man CTC executive committee. The slate contained three known Communists.

I. THE COMMUNIST BLOC

Soviet Credit Offer to Mexico

Soviet Deputy Premier Mikoyan is reliably reported to have discussed with Mexican officials a \$100,000,000 credit for Mexican economic development. This is Moscow's standard credit offer for underdeveloped countries. The Soviet proposal reportedly is "firm and official," although no details have as yet been revealed. Moscow probably does not expect Mexico to accept.

Mexican officials--unlike many in Latin America who are under political and economic pressure to accept Soviet economic programs--consider the proposal merely a renewal of earlier, less specific offers. Mexico has not fully drawn on the \$400,000,000 in credits made available this year by Western governments and the International Monetary Fund.

In a speech on his arrival in Mexico City, Mikoyan implied that Latin America should take advantage of the current "thaw" to increase contacts with bloc countries; he declared that the talks between Khrushchev and President Eisenhower represent the "beginning of substantial improvement," not only in US-USSR relations but among all countries. His subsequent comments emphasized Soviet technological achievements.

The Soviet press described Mikoyan's welcome as "warm" and portrayed his reception and initial activities as constituting almost a state visit. Moscow newspapers also featured Mexican Foreign Minister Tello's remark on the "necessity" of liquidating colonialism in the Western Hemisphere.

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Brazilian Trade Mission to Moscow Likely to Conclude Deal

Brazil has sent an eight-man trade mission to the USSR in the belief that expanded trade with the Soviet bloc would enable it to obtain additional necessities for economic development without spending hard currencies. Rio de Janeiro hopes to dispose of agricultural surpluses, particularly coffee, without reducing trade with other areas, such as the US. To induce an expansion of trade, the USSR reportedly has offered Brazil generous terms for crude petroleum--an expensive dollar import which cost Brazil \$302,000,000 in 1958.

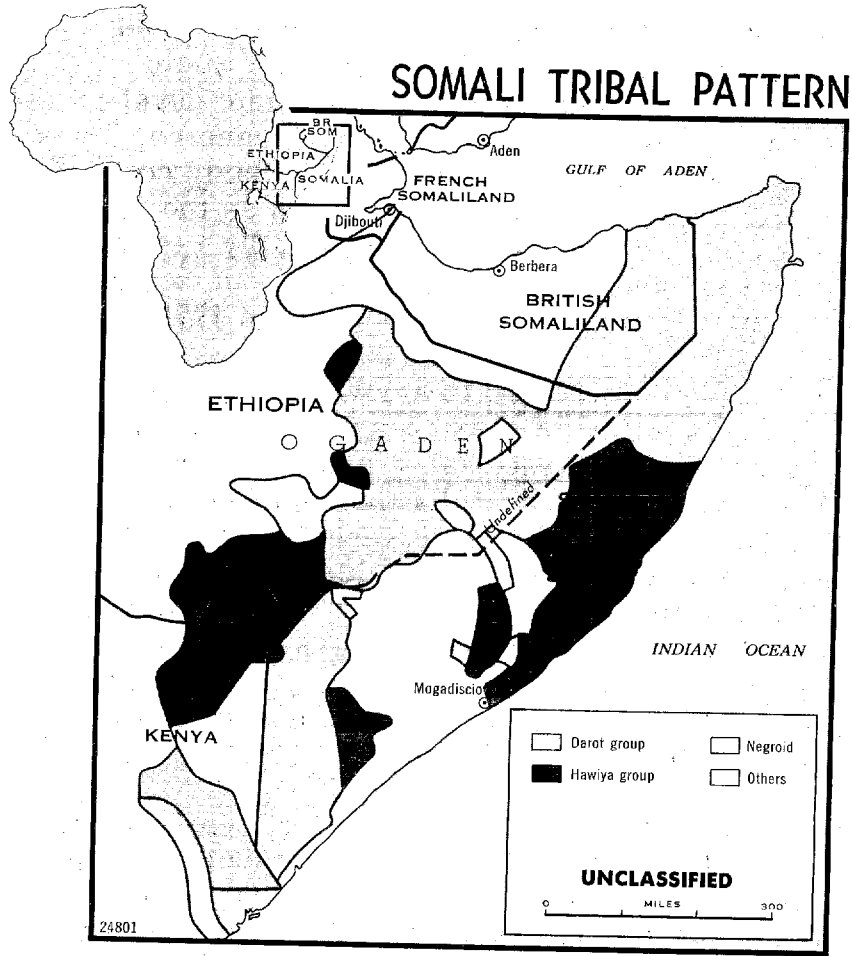
The Brazilian mission, scheduled to arrive in Moscow on 25 November, will probably negotiate at least a small transaction--if only as a palliative to nationalist pressures during an election year--but will weigh carefully the apparent economic value of any large Soviet offers. [redacted]

[redacted]
a bilateral agreement may be considered. [redacted]
the 15-day period assigned for the mission's work "seems excessively short, especially if it is necessary to negotiate and sign a bilateral instrument." [redacted]

The American Embassy in Moscow commented on 18 November that the reception of top-level Brazilian Communists by important Soviet party leaders on the eve of the arrival of the trade mission further underlines the Soviet intention to pursue a more active policy regarding Latin America. [redacted]

[redacted]

[redacted]



II. ASIA-AFRICA

Somali-Ethiopian Border Negotiations End in Deadlock

The UN-conducted negotiations to settle the eight-year border dispute between Ethiopia and the Italian trust territory of Somalia have broken down, according to Italy's UN delegate Vinci. Another Italian official confirmed that the final meeting held on 20 November ended in failure. UN officials now are considering the possibility of UN Secretary General Hammarskjold intervening in an effort to resolve the frontier problem before Somalia becomes independent next year and to forestall a worsening of already tense relations between Addis Ababa and Mogadiscio.

In accordance with a resolution by last year's UN General Assembly, the King of Norway selected former Secretary General Trygve Lie as an "independent person" to assist the disputants in formulating terms of reference--lack of which has hamstrung negotiations for some time. The terms of reference were to guide a three-man arbitral tribunal in demarcating the disputed frontier.

Despite some progress in resolving minor differences, the two parties have refused to compromise on major issues. Ethiopia persists in its contention that only the juridical aspects of the Italo-Ethiopian 1908 boundary convention, which defines the border roughly along the present administrative frontier, should be considered. On the other hand, Somalia--through its Italian representatives--seeks to guarantee the unlimited border-crossing and grazing rights traditionally enjoyed by the 350,000 Somali nomads who drive their herds into the largely uninhabited Ethiopian province of Ogaden during the dry season.

Addis Ababa fears that the right of unlimited incursion might inspire nationalist sentiment among the half million ethnic Somalis living in eastern Ethiopia and lead them to demand that Ogaden Province be included in the creation of a Greater Somali state. Ogaden Somalis--along with nationalist leaders representing ethnic Somalis from the British and French Somaliland enclaves, northern Kenya, and Italian-administered Somalia--participated last summer in the formation of a movement designed to achieve unity and independence for all Somali-populated territories.

Sino-Indonesian Tension Continues

The 20 November meeting in Djakarta between Indonesian President Sukarno and Chinese Communist Ambassador Huang Chen apparently has not relieved the tense situation which has developed over Djakarta's implementation and Peiping's obstruction of an Indonesian decree to ban and resettle alien retail merchants now in rural areas. The meeting resulted in public statements which, although polite, indicated no change is likely until Huang receives new instructions from Peiping.

[Prior to the meeting, Indonesian Foreign Minister Subandrio told the American ambassador that Djakarta felt it could not retreat on an internal policy which is vital to its economic development. At the same time, he reiterated that for obvious reasons Djakarta felt it must maintain friendly relations with Communist China and would lean over backward to do so. Subandrio claimed, however, that the Chinese ambassador might not be able to remain much longer in Indonesia.] Reports that Chinese Embassy officials have been banned from West Java have been officially denied in Djakarta, possibly indicating that local army orders were countermanded by higher officials as being too drastic.

It is unlikely that Peiping wants relations with Djakarta suspended. Thus, while Communist China probably will continue to express opposition to the removal of Chinese from rural areas, Ambassador Huang may be instructed to use softer tactics and seek postponement of the resettlement program rather than its total repeal.

[Subandrio also informed the American ambassador that Soviet Ambassador Volkov had approached him about the Chinese dispute on two occasions with the plea to "keep me out of this."] In a broadcast to Indonesia on 21 November, Radio Moscow charged that "Western agents" and "rightist newspapers" in Indonesia were seeking to sow discord between Djakarta and Peiping.

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Scientific Adviser to the President

Director of the Budget

Director, Office of Defense and Civilian Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

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The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

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The Secretary of the Navy

The Secretary of the Air Force

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Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

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