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10 October 1957

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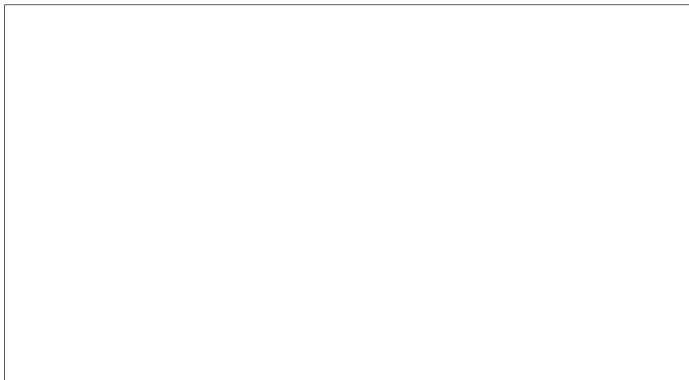
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THE TAIWAN STRAIT
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1. BRITISH RENEW CAMPAIGN FOR MORE RESEARCH COOPERATION WITH UNITED STATES

Comment on:

British public and official reaction to the Soviet earth satellite indicates that London will step up its attempts to obtain increased American cooperation on military research and development. The first step in the renewed British campaign was Foreign Office Deputy Undersecretary Dean's statement to an American embassy official on 7 October that he hoped Congress and the administration would now be agreeable to more extensive collaboration on weapons and delivery systems.

Should such cooperation fail to develop, Britain might try to expand the seven-nation Western European Union mechanism for cooperation on military research. The organization's Standing Armaments Committee has already arranged for some specialization by individual members.

In noting the "vastly increased respect for Soviet scientific achievement," the American embassy suggests that the British public may now give more serious attention to Soviet experience with a planned economy and state direction of scientific education.

The public's interest in reaching disarmament and political agreements with the USSR may also be increased. This would put pressure on the Macmillan government to drop its support for the comprehensive Western disarmament proposals lest the Labor party gain further popular advantage.

**2. BRITAIN REOPENS QUESTION OF TROOP REDUCTIONS
IN WEST GERMANY**

Comment on:

Acting on "urgent instructions," the British NATO representative has raised with Secretary General Spaak the need for early WEU approval of Britain's plan to reduce its troops in West Germany by another 13,500.

The violent allied reaction last spring to Britain's announcement that it intended to reduce its NATO forces in West Germany by 27,000 resulted in a compromise under which only half of this number would be withdrawn during the following year. Arrangements for the other half, including the location of the 5,000-man strategic reserve, were left for consideration at an October WEU meeting following a special NATO review of over-all resources and defense aims in the light of modern weapons. This review is not yet complete and no date has been set for the WEU meeting.

The British say a strained foreign exchange position will not permit them to pay Deutsche marks for support of their forces in West Germany after March 1958. They claim that decisions on both the military and financial aspects of this situation are required at least by November in order to fit Britain's budgetary planning cycle. The talks which General Norstad is currently undertaking in London with Foreign Secretary Lloyd and Defense Minister Sandys are expected to focus on retention of the 5,000-man reserve group in Germany, which is probably the most the British would concede.

3. GOMULKA'S POSITION AFTER WARSAW RIOTS

Comment on:

[Redacted]

Although the Warsaw riots have cost Gomulka some popular support, his leadership has not been seriously threatened. Gomulka's success in quelling the disturbances without making concessions has pointed up to party members his indispensable role.

The events of the past week demonstrate Gomulka's determination to prevent any further liberalization at present. Most Poles apparently feel that his leadership provides the best hope under existing conditions, but the attitude of students and intellectuals is changing from resignation to more active opposition. This small but highly vocal group is active on the fringes of the party and probably will constitute a continuing source of difficulties for the regime.

Gomulka shows no sign of acceding to the students' demands to lift the ban on the liberal magazine Po Prostu--the move which touched off the disturbances. The situation is returning to normal and the Polytechnical University--closed from Friday through Tuesday--has reopened.

4. PEIPING PROPOSES POSTPONEMENT OF SINO-BURMESE BORDER SETTLEMENT

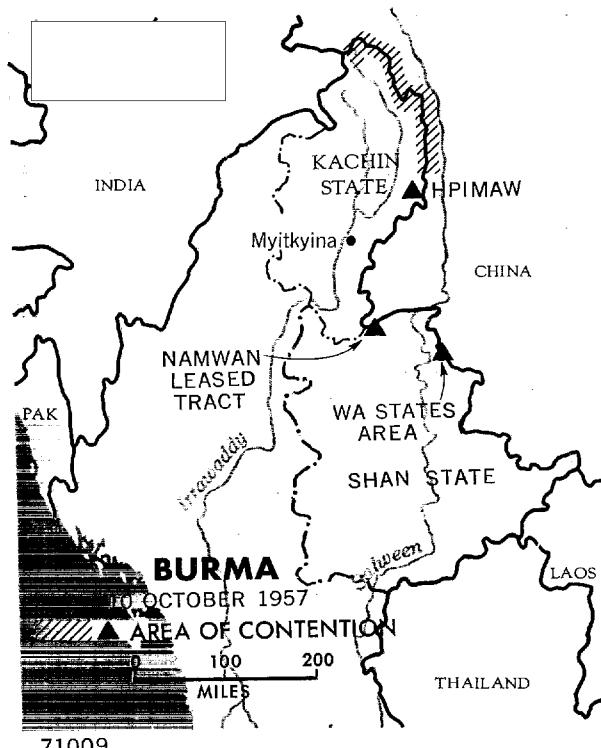
Comment on:

Further talks on 3 October between Chou En-lai and special Burmese emissary U Myint Thein reveal that Communist China intends to delay indefinitely a settlement of the Sino-

Burmese border issue. Chou declared there was "no hurry" for the settlement of specific issues inasmuch as the "principles" of a border settlement had been reached. He suggested that a settlement should await a plebiscite in the Shan State on whether it will continue to adhere to the Burmese Union. The constitution provides for a plebiscite, but the Burmese government is not likely to permit secession.

Chou further proposed a joint commission to make full field surveys and come up with recommendations for final settlement, but he suggested that it was too late to make the surveys this year.

Chou's views of the problems to be solved include delineation of the northern frontier, further concessions of Burmese territory near Hpimaw in the Kachin State, and grants to



China of Burmese territory in the Wa States in exchange for the strategic Namwan Leased Tract in northeastern Burma.

Apparently to forestall strong Burmese reaction to delays in reaching a border agreement, Chou urged that a "friendship pact" be signed to avoid "embarrassing either side," and to assure Burma that no border areas would be "forcibly disturbed." Myint Thein countered by reiterating Rangoon's position that any treaty of friendship should be signed simultaneously with a treaty settling the border dispute.

5. TRIBAL UNREST IN YEMEN

Comment on:

A smoldering revolt by tribes in southeastern Yemen has threatened the Imam's control of several districts near the frontier with Aden Protectorate. The Imam has been compelled to raise a force to march against the rebels,

[redacted] and he has also dispatched newly arrived

Soviet bloc armored cars to the rebellious area.

[redacted] in the border center of Harib, which was a base for the Imam's adventures against Western Aden Protectorate earlier in the summer, reported "we have lost hope," described the situation in Harib and Marib as "desperate," and expressed hope that the relief force would arrive. Harib was advised not to relax its efforts and was assured that military assistance was on the way.

[redacted] Harib reported that the situation there and in Marib had improved.

The trouble may be at least in part inspired by the British, since it has taken place in an area from which the Imam during the summer invaded lands claimed by British-protected rulers of the Western Aden Protectorate. [redacted] King Saud [redacted]

[redacted] said he had heard that some of the rebellious tribes in southeast Yemen had been armed by the British.

Tribal restlessness has been growing in Yemen in recent months, reflecting opposition to Crown Prince Badr, who is relying on Soviet bloc arms to help him succeed his ailing father. Use of armored cars in the

rebellious area may confirm in the minds of local leaders that this is Badr's real objective in promoting the purchase of Soviet bloc equipment.

If the Imam fails to put down the rebellion, the revolt may spread to other areas which resent his harsh rule. The Imams of Yemen are traditionally elected by chiefs of the northern tribes. The principal candidate of these groups appears to be the Imam's eldest brother, Prince Hassan, now in virtual exile as head of the Yemeni delegation to the United Nations. [redacted]

SUMMARY

12 September - 9 October 1957

THE TAIWAN STRAIT

Report of the IAC Current Intelligence Group for the Taiwan Strait Problem

There were no significant developments in the area
during the period. [redacted]

10 Oct 57

Current Intelligence Bulletin

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