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31 March 1960

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CENTRAL INTELLIGENCE BULLETIN



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31 MARCH 1960

I. THE COMMUNIST BLOC

Peiping's announcement on urban communes suggests confidence in program; Mao makes first public appearance in Peiping in five months.

II. ASIA-AFRICA

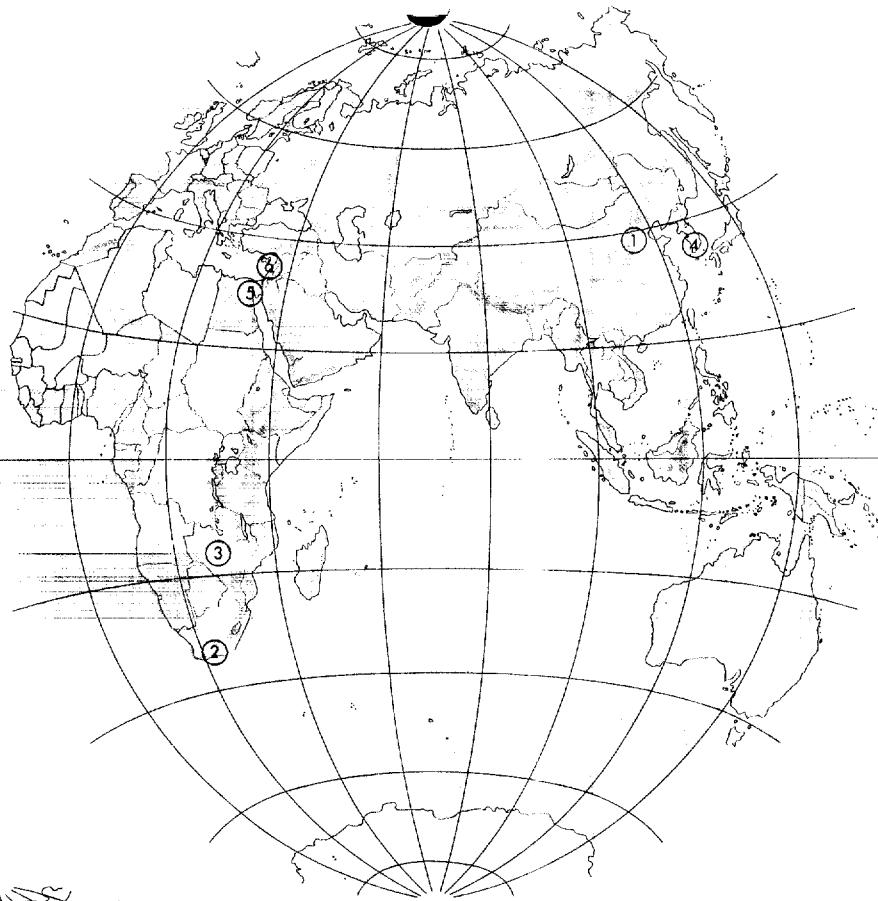
South Africa--Further serious disturbance probable.

Outbreaks of racial violence in Rhodesia likely.

UN group views South Korean election as "total fraud"; its report would further damage Seoul's international standing.

UAR officials increasingly critical of Soviet performance in regard to industrialization program.

- ①
- ②
- ③
- ④
- ⑤

**III. THE WEST**

⑥ Breakdown of present round of Cyprus negotiations may be imminent.

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CENTRAL INTELLIGENCE BULLETIN

31 March 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

DK
Communist China: The announcement by planning chief Li Fu-chun, on 30 March, that urban communes are being formed "in a big way" suggests confidence based on successful experimentation in 1959 that further communalization can be carried out without serious opposition or economic dislocation. This expansion of the commune program apparently has less spectacular immediate objectives than the rural communes. The program retains, however, some ideological overtones and seems to reflect Peiping's compulsions to demonstrate its commitment to social revolution and its unwillingness substantially to modify its course.

Li gave credit for "enriching the treasure house of Marxism-Leninism" to Mao Tse-tung, who appeared in Peiping for the first time in five months when he attended the opening of the National People's Congress. (Page 1)

II. ASIA-AFRICA

DK
South Africa: Large African demonstrations in the Cape Town area on 30 March have dispersed, but further serious disturbances may develop as the militancy of the Africans increases. The government, in a renewed drive to suppress the anti-apartheid movements, has declared certain districts to be in a state of emergency, a modified form of martial law, and has partially mobilized the civilian reserve of about 20,000 men. Leaders of the principal opposition party in parliament have stated that they will support the government's efforts to restore order.

The UN Security Council's decision to discuss the South African situation will probably contribute to increased tension in the Union.

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OK

Federation of Rhodesia and Nyasaland: [Outbreaks of violence are likely unless the British colonial secretary can obtain the cooperation of the white-controlled federal government for a series of moves to placate the African population. These would include the release from prison of the African leader, Hastings Banda, and the promise of constitutional advances in Northern Rhodesia and Nyasaland looking toward African-dominated governments. The Africans are showing growing determination and organization, while the Europeans appear to have little comprehension of the pace of nationalist development in Africa.]

(Page 2)

*NO
yesterday*

South Korea: [The report of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) to the UN will reflect the commission's opinion that the South Korean presidential elections were a "total fraud,"]

[Such a report would further damage the declining international standing of the South Korean Government.]

(Page 3)

ND

UAR-USSR: High-level Egyptian officials are becoming increasingly critical of Moscow's performance in aiding the UAR's industrialization program. Cairo, in line with Nasir's current policy of encouraging Western participation, seems interested in turning some of the projects now assigned to the USSR over to Western countries. Cairo will nevertheless continue to use all available Soviet aid, and the USSR's role will remain important.

(Page 4)

III. THE WEST

ND

Cyprus: [Reports from British and Greek officials on Cyprus indicate that a breakdown in negotiations over the size of future British bases may be imminent. Archbishop Makarios has refused to consider granting Britain more than 80 square miles for the bases, and London will not accept this limitation. British spokesmen have indicated that a new five-party conference will follow if a deadlock results, but Makarios has stated that he will not attend.]

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IV. WATCH COMMITTEE CONCLUSIONS

- A. [No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.]
- B. [No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the orbit in the immediate future.]
- C. [The following developments are susceptible of direct exploitation by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:]

(None)

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I. THE COMMUNIST BLOC

Peiping Launches Urban Commune Drive

The chairman of Peiping's State Planning Commission, Li Fu-chun, in the first major speech to the National People's Congress on 30 March, declared that urban communes are being developed "in a big way" in cities throughout the country. Li's announcement climaxed a campaign to publicize the rapid growth of facilities for "collectivized living" in major cities during recent weeks. The recent publicity campaign did not mention urban communalization specifically, but it was apparent that the groundwork was being laid for such a move.

Considerable attention was given to urban communes in the fall of 1958, when the commune program was instituted, but it soon became obvious that the regime was experiencing difficulties in this aspect of the movement. Reference to urban communes almost disappeared after Peiping's modification of its doctrinal claims for the commune program at the end of 1958, presumably in deference to Soviet objections.

Peiping's willingness to undertake the difficult task of urban communalization at this time may reflect the leadership's feeling that collectivized living measures in the cities have been successful enough to permit further steps without significant opposition.

In the same speech, Li Fu-chun gave credit for "enriching the treasure house of Marxism-Leninism" to Mao Tse-tung, who made his first appearance in Peiping in five months at this meeting. In keeping with the current campaign to present Mao as a creative Marxist-Leninist theoretician, it is likely that the drive for urban communes will be firmly linked to his "ideology." This expansion of communalization indicates that Peiping is willing to risk Moscow's displeasure rather than abandon what it considers essential aspects of its current programs.

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II. ASIA-AFRICA**Race Relations Worsen in Central Africa**

[In the Federation of Rhodesia and Nyasaland, where a settler-dominated government shares power with London, the racial and political situations are becoming more tense and may lead to early violence. Separatist tendencies among the three territories which constitute the federation--Northern and Southern Rhodesia and Nyasaland--are increasing and there is a widening gap between the races because of local official policies and external nationalist pressure.]

[Most of the Europeans appear to have little comprehension of the strength of African nationalism, and those who do are determined to resist. By use of force they may succeed in forestalling an African takeover for several years; this, however, would be at the risk of bloodshed comparable to the disorders in South Africa.]

[The Africans' attitudes are hardening, but many leaders realize that time is on their side. They show increasing determination and organization. This has been demonstrated by recent school demonstrations in Northern Rhodesia, disorders in Nyasaland, a generally effective boycott of the advisory commission on a new constitution, and bolder public statements against the existence of the federation.]

[These problems confront visiting British Colonial Secretary Macleod with a serious challenge. He must secure the cooperation of the white-controlled government for a series of moves to placate the African population if early violence is to be forestalled. These measures include the release of Dr. Hastings Banda, the imprisoned Nyasaland nationalist, and the initiation of far-reaching constitutional changes in Nyasaland and Northern Rhodesia with a program leading to African-dominated local governments in the near future.]

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~~SECRET~~UN Observers to Report South Korean Elections Fraudulent

[Members of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) believe that South Korea's presidential elections on 15 March were a "total fraud,"

The commission is preparing a report to this effect for submission to the UN this April, and a summary of its findings will be included in UNCURK's annual report to the UN in August. Despite South Korean pressure, the commission is unlikely to change its findings, which would further damage the South Korean Government's declining international standing.]

The American Embassy in Seoul has observed that the South Korean Government may be beginning to realize that it must broaden its international support if the country is not to become isolated. [President Rhee's trusted ambassador to France, General Chong Il-kwon, has cautioned of the danger of Asian Communist efforts to woo the new African nations.]

Although two recent good-will missions increased the number of states recognizing South Korea, they also met with some rebuffs. One Seoul mission to South and Southeast Asia reached an agreement with Malaya to open formal relations but was refused entry by Pakistan, despite its strongly anti-Communist orientation. Ambassador Chong's tour of Africa resulted in an agreement with Liberia to establish diplomatic relations and "tacit" recognition by Libya and the Union of South Africa. Friendship with South Africa, however, would seem likely to alienate many Asian-African states.

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Egypt Dissatisfied With Some Aspects of Soviet Economic Aid

High-level Egyptian officials are becoming increasingly critical of Moscow's performance in aiding the UAR's industrialization program. The head of the UAR purchasing mission in Moscow has complained,

[redacted] that the USSR is "going back on its word" and is attempting to stretch out certain important industrial projects far beyond their originally planned completion dates.

Moscow had been expected to begin a major expansion of Egypt's Helwan steel plant last February and complete the project in 1963. Recently, however, Soviet officials have stated that they will not begin delivery of equipment before 1965 and that completion is not likely before 1968. They explained this delay by claiming that their industry is "committed for the next five years." Moscow is substantially behind schedule on a number of other projects listed in the Soviet-UAR trade agreement.

Moscow also is expected to build a shipyard at Alexandria. The chief of the UAR's economic planning board, however, has been making unfavorable comparisons between repeated Soviet delays on this project and prompt West German action on the similar shipyard project at Port Said.

[redacted]
In addition, the \$2,000,000 Damietta textile factory in Egypt--the first complete installation built by the USSR--has proved unsatisfactory for spinning long-staple Egyptian cotton, and the UAR probably will have it dismantled. The UAR minister of industry reportedly is considering the cancellation of two Soviet contracts for textile mills.]

Despite these setbacks, Cairo will continue to depend heavily on Soviet economic aid, although it may attempt to focus Communist assistance on the more general basic projects such as the Aswan High Dam and Syrian river development. Egypt, in line with Nasir's current policy of actively encouraging large-scale Western participation, probably will increasingly contract with the West for its needs for factories with modern industrial equipment and technology.

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III. THE WEST

Cyprus Negotiations

[As a result of the recent hardening in the attitude of Archbishop Makarios, an imminent breakdown is possible in the British-Cypriot negotiations designed to remove differences which have prevented establishment of the Cypriot Republic. Makarios apparently is relying on his "intuition" that the British will eventually capitulate in the current test of strength.]

[While Governor Foot has stated that London is prepared to be "flexible," there is no evidence that the British will significantly reduce their previous demand for British bases covering 120 square miles. Makarios has refused to consider more than 80 square miles and has stated that further meetings are useless until his demands are met.]

[A British warning that unless the problem is resolved soon a new five-party conference--Britain, Greece, Turkey, and Turkish and Greek Cypriots--will be called elicited a reply from Makarios that he would not attend unless assured that his minimum demands would be accepted. Failure of such a conference could lead to denunciation of the 1959 Zurich-London agreements by one or more of the signatories.]

[Greek officials in Nicosia, who have expressed considerable support for the British position on the bases, have emphasized fear that Makarios will not budge from his present position and may suddenly resign from the transitional government--possibly on 1 April, fifth anniversary of the start of EOKA terrorism. His resignation would be followed by that of other Greek Cypriot members of the transitional cabinet and would lead to confusion--if not chaos--in the government.]

[Turkish Cypriots, aware that the repudiation of the Zurich-London Accords would almost certainly not be to their advantage, are continuing to seek a solution on almost any basis.]

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Turkish Cypriot leader Kuchuk has attempted to act as mediator in the past and may try again to secure an agreement on 100 square miles. A breakdown of the negotiations, followed by failure of a new conference, would have serious repercussions on intercommunal relations.



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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

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The Counselor

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