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3 October 1960

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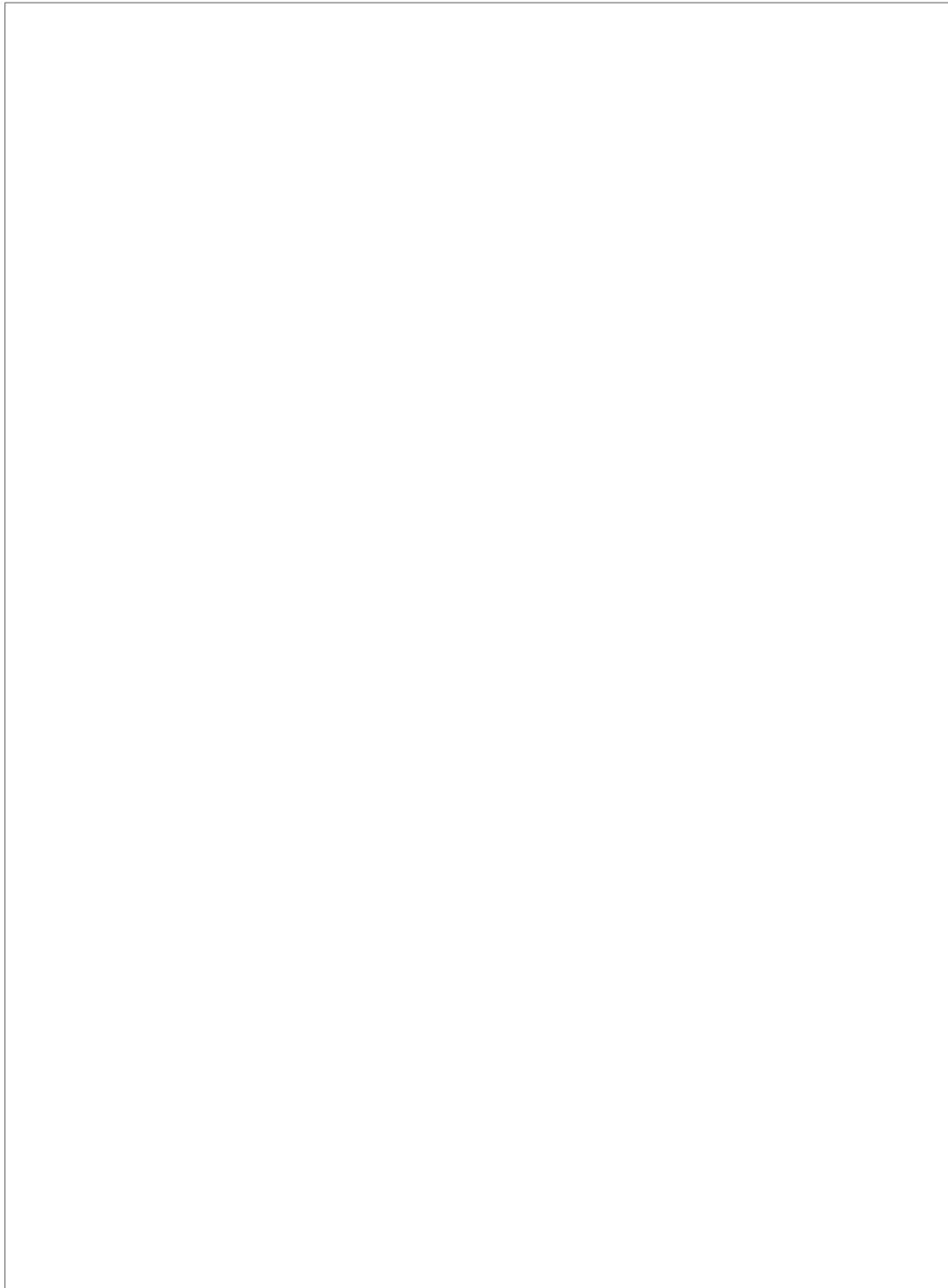
CENTRAL INTELLIGENCE BULLETIN



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3 OCTOBER 1960

I: THE COMMUNIST BLOC

Peiping using National Day celebrations to make show of "socialist unity," but propaganda continues hard line in Sino-Soviet dispute.

(1)

II. ASIA-AFRICA

Jordan's recognition of Iraq probably stems from resentment of UAR subversive activities.

(2)

Resumption of Israeli dredging in demilitarized zone may cause UAR protest to armistice commission.

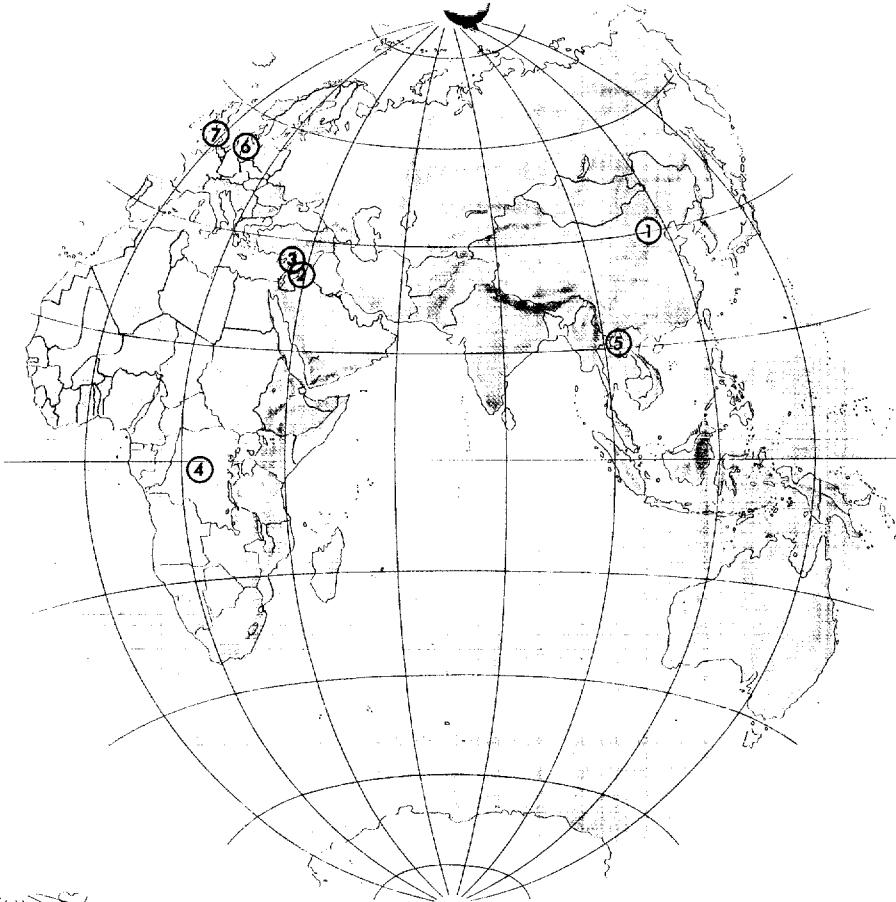
(3)

Lumumba asks Cairo for arms, aircraft, and helicopters.

(4)

Laos--Tentative steps toward army reunification may be undone by reported dismissal of Phoumi and other officers.

(5)



III. THE WEST

(6) East Germany reacts cautiously to Bonn's denunciation on 1961 interzonal trade agreement.

(7) Gaitskell faces uphill fight to defeat nuclear disarmament resolution at Labor party conference.



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CENTRAL INTELLIGENCE BULLETIN

3 October 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China: Communist China has used its 1 October National Day celebrations to rebut criticism that China is belligerent and to make a show of "socialist unity." Underlying these themes, however, current propaganda makes clear that Peiping continues to adhere to hard-line positions in its dispute with Moscow. The absence from the Peiping celebrations of high-ranking personalities from any bloc country except Albania points up continuing Soviet efforts to isolate the Chinese. Peiping confined its comments on the domestic economy to complaints about bad weather for agriculture.

(Page 1)

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II. ASIA-AFRICA

Jordan-Iraq-UAR: Mutual Jordanian-Iraqi resentment of UAR subversive activities against the regimes of King Husayn and Qasim probably is the most important reason for Jordan's recognition on 1 October of Qasim's revolutionary government. The two countries now may cooperate in efforts to reduce Nasir's influence and strength in the Middle East, particularly by supporting secessionist tendencies in the Syrian region of the UAR. The reported Iraqi denunciation of the murder of King Faysal, Iraq's former ruler and Husayn's cousin, in the revolution of July 1958 satisfies the main prerequisite demanded by Husayn for a rapprochement.

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Israel-UAR: Israel's dispute with the UAR over dredging work in the Jordan River within the Israeli-Syrian demilitarized zone probably will soon become acute again. The UN chairman

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of the Mixed Armistice Commission has issued a finding which will permit the Israelis to proceed with dredging operations, scheduled to begin during the first week in October.

The UAR, despite a feeling "our legal objections are weak," may lodge a protest with the armistice commission, but UAR Commander in Chief Amir has forbidden use of the armed forces to prevent the work because of "the international political situation."

(Page 2)

Republic of the Congo: Anti-Lumumba elements continue efforts to forestall any attempted coup by Lumumba in connection with the proposed political round-table conference in Leopoldville. In conversation with Ambassador Timberlake, Mobutu on 30 September expressed faith in the conference as a means of resolving the Congo's political ills, and stated that he would "impose his will" on the conferees if necessary. Ambassador Timberlake characterized Mobutu as extremely nervous and fearful of assassination.

no

Lumumba on 27 September asked that Cairo provide him with arms for ten to fifteen thousand soldiers, together with aircraft and helicopters.

concern on the part of the UAR, Ghana, and Guinea that the rotation of Ghanaian and UAR units from Leopoldville to the Congo interior--as ordered by the UN command--will make it difficult for them to support Lumumba.

(Page 3)

Laos: Laotian Army commanders representing the rival Vientiane and Savannakhet camps are beginning to cooperate in certain spheres, but these tentative steps toward reunification of the army command may be quickly undone by Premier Souvanna's reported order calling for dismissal of General Phoumi and 26 other officers. A tenuous cease-fire between the Vientiane and Savannakhet forces in the Paksane area has apparently been arranged in belated implementation of the agreement reached in Luang Prabang on 28 September. The Communist Pathet Lao, meanwhile, has announced readiness to enter into immediate negotiations with the Souvanna government.

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III. THE WEST

Berlin: Bonn appears to be waiting for East German reactions to its 30 September denunciation of the 1961 interzonal trade agreement before deciding what actual steps will be taken against interzonal trade shipments. Bonn and West Berlin authorities are considering one plan whereby, if a new pact is negotiated, all interzonal trade shipments would funnel through West Berlin, thereby making it difficult for the East Germans to tamper with Berlin access without disrupting their own imports from the Federal Republic. East German officials, although obviously prepared for the denunciation of the trade agreement, treated the affair cautiously, probably in order to determine exactly what sanctions would be imposed. East German controls over access to Berlin remain in force, and on 30 September East Germany announced that visitors to the West Berlin enclave of Steinstuecken, which is completely surrounded by East Berlin territory, would henceforth need East German residence permits.

(Page 6)

Britain: British Labor party leader Hugh Gaitskell still faces an uphill fight to defeat an uncompromising nuclear disarmament position at the party's annual conference from 3 to 7 October. Despite recent indications that he has gained the support of some small trade unions as well as of several local Labor party branches, the left-wing resolution sponsored by the transport workers' Frank Cousins still appears to command a majority of votes from trade union and constituency delegations. Even if Gaitskell ekes out a narrow victory, his hold on the leadership will continue to be precarious.

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~~CONFIDENTIAL~~Chinese Communist National Day Celebrations

Communist China has used its 1 October National Day celebrations to rebut criticism that China is belligerent. A principal theme of the celebrations has been China's adherence to peaceful coexistence, and Peiping is saying that the Sino-Burmese boundary treaty--signed on 1 October by Prime Minister U Nu and Premier Chou En-lai--is proof of its intentions. Possibly for the same reason, Peiping eliminated its usual military parade.

The Chinese have also attempted to gloss over current Sino-Soviet differences by emphasizing "socialist unity" in their 1 October propaganda, but they continue to adhere to hard-line positions in the dispute. At a public lecture on ideology in Moscow on 29 September--two days before the Peiping celebration--the speaker identified the Chinese as "dogmatists" and asserted they should engage in self-criticism and admission of error. Ambassador Thompson speculates that this public labeling of the Chinese may foreshadow a sharper stage in the quarrel.

The absence from the Peiping celebrations of high-ranking personalities from any bloc country except Albania points up continuing Soviet efforts to isolate Peiping. The celebrations apparently were snubbed by Polish Premier Cyrankiewicz, who was scheduled to complete a visit to Ceylon on 30 September and could easily have arrived in Peiping in time for the festivities. Albanian party leader Hoxha's 30 September speech in Tirana endorsed several Chinese positions in contrast to East German Premier Grotewohl's restatement of his regime's "correct" position in the dispute.

Peiping confined its comments on the domestic scene to complaints that agriculture has suffered the most serious "natural calamities" since the regime came to power, but said that the communes had minimized the damage to crops. Although there is no evidence that industrial plans--which schedule a 29-percent increase in value of industrial production as against a 40-percent increase achieved in 1959--have bogged down, Peiping continued silent on the performance of the economy in 1960.

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UAR May Protest Israeli Dredging in Demilitarized Zone

UAR Army Commander in Chief Amir, [redacted] has ordered the Syrian delegation to the Israeli-Syrian Mixed Armistice Commission (MAC) to request a meeting of the MAC so that the UAR can protest a finding by the UN chairman of the MAC which will permit the Israelis to proceed with Jordan River dredging operations within the demilitarized zone. [redacted]

[redacted] the subject had been discussed with UN Under-Secretary Bunche, and suggested that an MAC meeting not be held "at present until the situation with Bunche crystallizes." However, an Israeli Foreign Ministry official has stated the work will begin during the first week in October.

The UAR decision to request an MAC meeting overruled the contrary advice of the head of the Syrian delegation, who observed that "our legal objections are weak" and that a meeting resulting in a vote by the UN Chairman in support of the Israeli plan would only make the Israeli position "more legal... than it is now," enabling "the Jews to exploit the situation to the utmost." Amir, however, decided that "complete silence by us... will give rise to tendentious propaganda, and we will be accused of giving the Jews a free hand to work in the demilitarized zone." The UAR is as sensitive to adverse propaganda by other Arab states on Palestine matters as it is to Israeli exploitation of these issues.

Amir nevertheless forbade the use of UAR armed forces to prevent the Israeli operations because of "the international political situation." In June, after the Israelis first informed the MAC of their intentions regarding further work on the Jordan River channel, Cairo interpreted the Israeli plan to be part of a unilateral attempt to divert the river channel. There was no reference to a possible diversion project [redacted]

The work which the MAC chairman has approved is to be a continuation of work already completed north of the Banat Yaqub bridge--an area which is also within the demilitarized zone--to a point 300 meters south of the bridge. The proposed diversion point in Israel's controversial river diversion project is only 1,500 meters south of the bridge. The Israelis contend that their channel improvements--which involve widening and straightening as well as dredging the channel--are part of the Lake Hula drainage program, but they acknowledge that such improvements would increase the annual average movement of water in the river and thus be of benefit to any ultimate diversion plan. [redacted]

[redacted]

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~~TOP SECRET~~The Situation in the Congo

Elements opposed to Patrice Lumumba continue efforts to forestall any attempted coup by him in connection with the proposed political round-table conference in Leopoldville. Kasai provincial leader Albert Kalonji has urged that the conference be moved out of the capital city, presumably to avoid pressure from UN contingents whose governments are sympathetic to the deposed premier. No definite date for the conference has been set, and it may yet founder on questions such as Lumumba's political status for the meeting. Lumumba continues to claim that he is the Congo's lawful premier.

[Despite the uncertain prospects for the conference, army chief Mobutu has expressed to Ambassador Timberlake his belief that it will "settle the Congo problem." He added that, if necessary, he would "impose his will" on the conferees. Ambassador Timberlake characterized Mobutu as extremely nervous and fearful of assassination. He quoted Mobutu as admitting that he was drinking more than in the past and that he had trouble eating.]

Lumumba's hopes of launching a coup were reflected in a 27 September request to the UAR for large-scale military aid. [Lumumba asked for light arms for "about ten to fifteen thousand soldiers," together with "about three Ilyushin aircraft and some helicopters." Lumumba professed confidence that Congolese Army units outside Leopoldville were loyal to him, and spoke of launching a surprise attack on the city with troops from the interior.]

Although the UAR, Ghanaian, and Guinean representatives have discussed the possibility of intervening with their UN contingents on Lumumba's behalf, [concern that the UN's rotation of certain UAR and Ghanaian units from Leopoldville to the Congo interior has impaired their capability to aid Lumumba.]

["the UAR company at (Leopoldville airport), in spite of reinforcements, will not be able to undertake decisive action alone."]

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~~SECRET~~The Situation in Laos:

The American Embassy in Vientiane reports indications that Laotian Army commanders representing the Souvanna Phouma government and the Savannakhet Revolutionary Committee are beginning to carry out their pledge, given to the King in Luang Prabang on 28 September, to work toward the reunification of the army command structure and to present a common front toward the Pathet Lao.

Progress in this direction seems especially noticeable in the Second Military Region, which has jurisdiction over Sam Neua and Xieng Khouang provinces. Following the ouster of the pro-Savannakhet commander of that region on 28 September by his subordinate in Xieng Khouang, both sides apparently agreed to install General Amkha, who had been acting as Vientiane garrison commander, as temporary commander of the Second Military Region. He was ordered to launch a united effort, involving both pro-Vientiane and pro-Savannakhet elements, against the Pathet Lao in Sam Neua. According to press reports, the pro-Savannakhet garrison which abandoned Sam Neua town on 28 September and subsequently established itself at Muong Peun has declared its loyalty to Vientiane. It is presumably at Amkha's disposal for whatever action he chooses to take.

The actual military situation in Sam Neua remains obscure. The embassy reports no indications of any fighting after 28 September. Pathet Lao propaganda has hailed the "liberation" of Sam Neua town from the "traitorous" Savannakhet group. Pathet Lao guerrilla units may be in control of the town, although the area is nominally under the Souvanna government.

Tentative progress toward reunification of the army command structure could be quickly undone by Premier Souvanna's order calling for dismissal from the army of General Phoumi and 26 other pro-Savannakhet officers. This order is a follow-up of a previous warning issued by Vientiane that all officers must declare their loyalty to the Souvanna government by 30 September. The order now is before the King for signature.

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Souvanna probably does not expect the King to sign it and in all likelihood took this action merely as a tactical ploy; however, Phoumi may consider the order a grave personal affront and in any case might seize upon it as an excuse to end further efforts at a compromise.

Vientiane and Savannakhet forces facing each other east of Paksane appear finally to have ceased fighting, in belated implementation of the agreement reached at Luang Prabang. The cease-fire could prove short-lived, however, inasmuch as the Vientiane forces in the area may be more responsive to Captain Kong Le's orders than to those of the nominal high command.

The Neo Lao Hak Sat (NLHS)--the Pathet Lao's legal political front--on 1 October announced its readiness to enter into immediate negotiations with the Souvanna government, professing itself satisfied that the Vientiane government had purged itself of representatives of the "traitor" Phoumi. The Communists apparently now feel themselves in a strong position to extract major concessions from Souvanna, or, failing this, to gain representation in the forthcoming political talks under the King's aegis. They may even harbor the hope that NLHS leader Prince Souphanouvong will be included in the new government of national unity which the King is trying to promote. Willingness to entertain this possibility has in recent days been variously ascribed to all of the major participants in the current conflict, including Phoumi.

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~~SECRET~~Future of German Interzonal Trade Still Uncertain

The Bonn government is apparently awaiting East German reactions to its 30 September renunciation of the 1961 interzonal trade agreement before deciding on specific steps to take against interzonal shipments. The cabinet--meeting on 30 September with the unprecedented attendance of opposition Socialist leaders, including West Berlin Mayor Brandt--made no decision on whether a new agreement with East Germany would be negotiated in the face of continued Communist harassment of West Berlin, or whether any moves would be made against interzonal shipments during the rest of 1960; it even recognized the possibility that interzonal trade could continue after 31 December 1960 in the absence of a new pact.

Bonn and West Berlin authorities are considering a plan designed to enhance West Berlin's position. If a new pact is negotiated, all interzonal trade shipments to East Germany would go through West Berlin, thereby making it difficult for the East Germans to tamper with Berlin access routes without blocking their own imports--including vital iron and steel shipments--from the Federal Republic. Berlin officials, moreover, have suggested that West German exports to the USSR and other bloc states could also be sent via West Berlin. Bonn hinted publicly that the deteriorating Berlin situation may have a deleterious effect on Soviet-West German trade negotiations which are scheduled to begin late this month.

On 30 September, while maintaining that intra-German trade should continue as "the last tie in relations" between the two states, East German Foreign Trade Minister Heinrich Rau charged that Bonn's action was part of the Federal Republic's aggressive policy toward East Germany, and warned that West Germany would be held responsible for the consequences. Rau denied any connection between the questions of access to Berlin and trade, and rejected allegations that the four-power agreement governing Berlin had been violated, since "Berlin is no longer under four-power control."

Emphasis was added to Rau's statement that night when it was announced that henceforth visitors to the West Berlin enclave of Steinstücken--completely surrounded by East German territory--would be required to apply for East German residence permits. This move constitutes the first East German harassment of West Berlin residents since the beginning of the month-long campaign against West German access to Berlin.

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British Labor Party's Defense Policy Faces Stiff Fight at
Party Conference

Hugh Gaitskell, leader of Britain's Labor party, still faces an uphill fight to defeat an uncompromising nuclear disarmament resolution sponsored by the left-wing transport workers' Frank Cousins at the party's annual conference from 3 to 7 October, despite recent indication that some small trade unions and several local party branches now plan to switch their support to Gaitskell. The left-wing position still appears to command a majority of votes from the trade unions and the constituency delegations. Cousins' statement on 2 October that his resolution means unilateral British disarmament--a description he has until now refused to concede--may gain for him additional support from extreme left-wingers.

Since the Trades Union Congress meeting early last month when delegates endorsed both the official defense statement and the Cousins resolution--the later by a much larger margin--several moderate Labor members of Parliament, previously inclined to maintain a public silence on the issue, have spoken up in favor of the official policy, which rejects an independent British nuclear deterrent but supports an American deterrent under NATO control. However, some of the party leaders have done little to strengthen Gaitskell's position. George Brown, Labor's parliamentary spokesman on defense matters and the chief drafter of the official policy, has spent most of his efforts in an unsuccessful attempt to reach a pre-conference accommodation with Cousins. Harold Wilson, Gaitskell's runner-up as party leader, continues to maintain his equivocal stand on the issue.

Even if Gaitskell is able to eke out a narrow victory at the conference, his hold on the party leadership will continue to be precarious. The degeneration of the Labor party since the general elections last fall has persuaded many moderate Laborites that inept leadership has been a major factor in the party's decline. The strength of this sentiment will be tested next month when Parliament reconvenes and Labor members of Parliament cast their annual votes for the party leaders.

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