

5 April 1961

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# CENTRAL INTELLIGENCE BULLETIN

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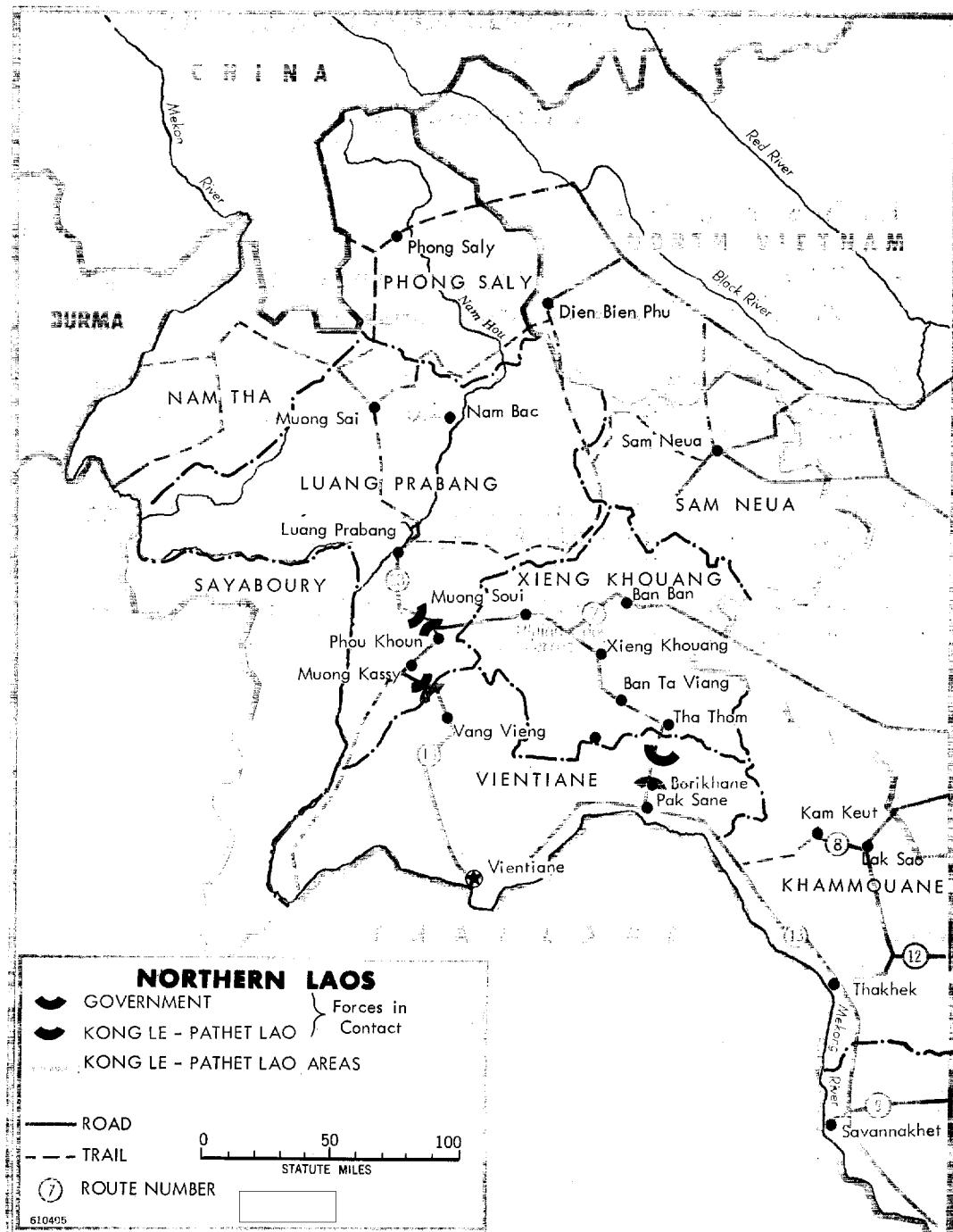
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*Beriah*

\*Laos: [Government troops early today launched a combined air-ground offensive aimed at recapturing Muong Kassy, on Route 13 about 20 miles south of the Phou Khoun junction. Recapture of Muong Kassy would serve as a much needed morale boost for the Royal Laotian Government.]

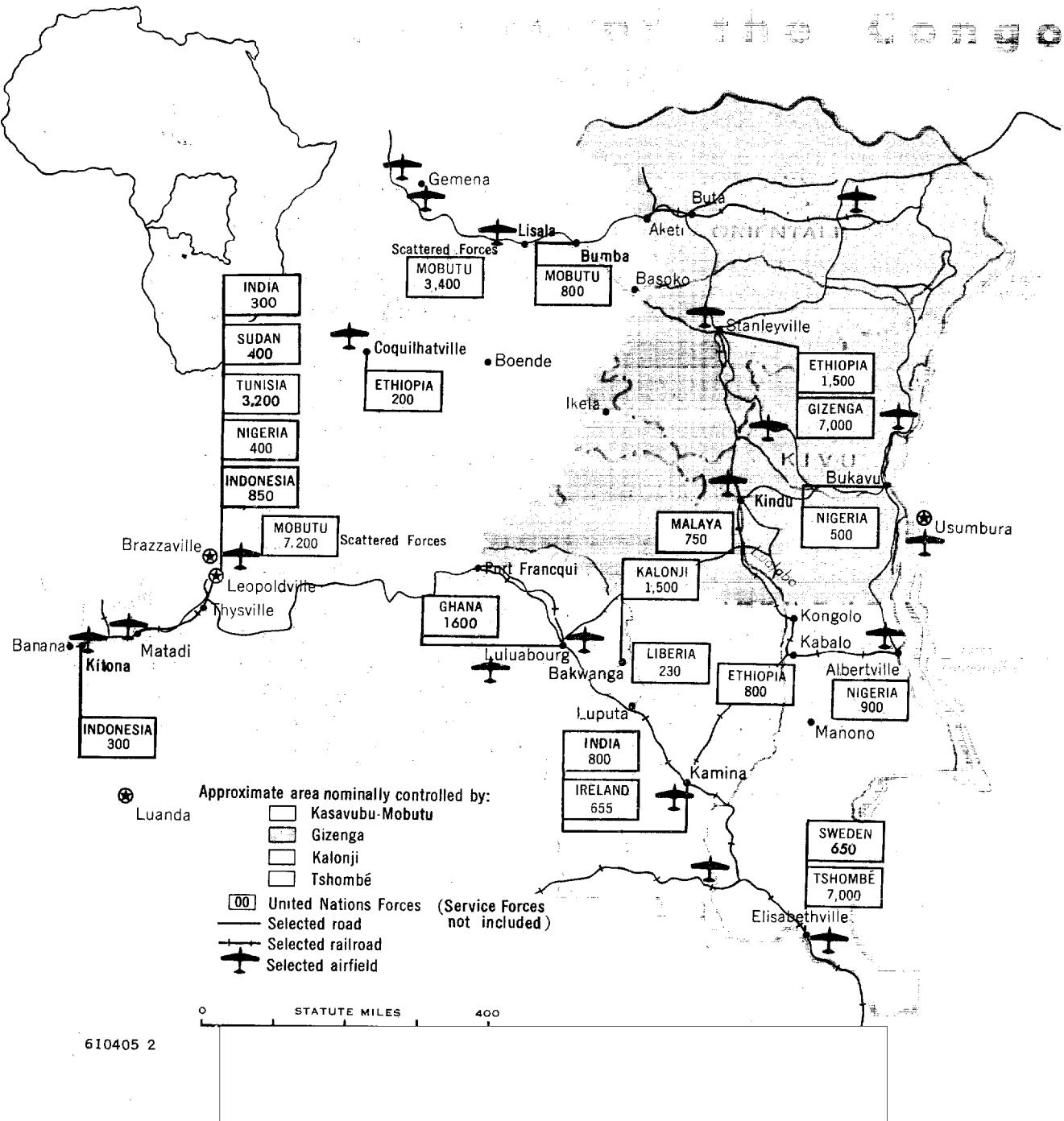
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[Soviet airlift operations from North Vietnam into Laos continue to be scheduled.]

[The Soviet Union is working toward determining the timing and location of the international conference pending the issuance by the Geneva co-chairmen of a call for a de facto cease-fire in Laos. Soviet Deputy Foreign Minister Kuznetsov told the British ambassador that New Delhi would be definitely unacceptable as a conference site, implying Chinese objections. He also inquired about British views on fixing a definite date for the conference. The USSR is eager to exploit Cambodia's Prince Sihanouk's association with the concept of a 14-nation conference and probably feels it could profit most if he were to act as chairman of the conference in Phnom Penh.]

(Backup, Page 1) (Map)

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Congo: An agreement to return to the status quo at Elisabethville airport, with Katangan troops and a Swedish UN contingent exercising joint control, apparently has papered over the immediate cause of the 3 April confrontation between UN and Katangan forces. The incident seems to have been set off by the Katangans, who attempted to block the airport runway and were apprehended and disarmed by the Swedes. Tshombé's regime remains apprehensive that the UN will attempt to airlift Indian troops into southern Katanga from Kamina. This distrust has been communicated to the civilian population and the armed forces, and civilian demonstrations against the UN occurred on 4 April.

[In a discussion in New York with American and British officials, Hammarskjold indicated that he is hopeful relations between the UN and the Leopoldville regime will improve. He remains adamant, however, that UN military units must be readmitted to the port of Matadi in the near future. He disclosed that in an effort to meet Congolese objections, his representative in Leopoldville was being instructed to suggest that the force in the port might be limited to 100 Nigerian police for the time being. He said he was asking for an early answer and stated that if no favorable reply were received, he would bring the question before the Security Council.]

Soviet presidium member Brezhnev told the Swiss ambassador recently that the USSR has little interest or hopes in the Congo but is going to use the issue as a means of obtaining its objectives concerning the UN Secretariat, including the removal of Secretary General Hammarskjold.

(Backup, Page 3)

(Map)

West Germany: Leaders of Chancellor Adenauer's Christian Democratic Union believe that Adenauer, during his 11-14 April visit to Washington, should be "tougher" and show less approval of US foreign policy than did Brandt during his recent visit. They believe that Brandt's accommodating attitude toward US policies will hurt his popularity in the September national election, and claim that recent [no]

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[public opinion polls show the West German people to be increasingly resentful of US "financial demands." Adenauer, while still regarding good relations with the US as the cornerstone of his policies, reportedly agrees with these views of his supporters, and plans to make it clear that he is able to "stand up to the Americans." ]

(Backup, Page 4)

USSR-India: [M. A. Suslov, member of the Soviet party presidium and secretariat in charge of liaison with foreign Communist parties, is reportedly scheduled to attend the Indian Communist party's sixth congress which opens on 7 April. The decision to send Suslov, who has played a central role in the Sino-Soviet dispute and particularly in the drafting of the resolution at the November 1960 conference of Communist parties, is probably related to the deepening split between those elements of the Indian party oriented toward Moscow and the group which generally follows the Peiping line. Suslov may also be bringing new instructions to the Indian party, reflecting the Soviet Union's concern that India's foreign policy has been shifting toward the West in the past few months. Soviet Ambassador to India Benediktov recently commented to Indian Foreign Secretary Dutt on the growing rapport between the Indian and US governments and bluntly inquired if this represented a change in India's policy toward the USSR.]

no

(Backup, Page 5)

Ceylon - Communist China: Colombo and Peiping on 4 April signed the annual protocol to their second five-year rice-rubber barter agreement (1958-62). The 1961 protocol calls for a return to the higher level of trade which obtained from 1953 through 1959. The resumption of previous trade levels stems more from Ceylonese economic necessity than from the neutralist Ceylonese Government's policy of increasing the bloc's small share of the island's trade. Last year Colombo eventually had to buy considerably more rice from China than the reduced amount specified in the annual contract. The Chinese rice commitment to Ceylon--set at 200,000 tons for 1961--is to be met by re-exports of the rice Peiping is purchasing from Burma.

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### Situation in Laos

A Soviet broadcast in Vietnamese on 4 April contended that convening of the conference should not be made conditional on a prior cease-fire verified by the ICC as proposed by the British. Moscow radio also acknowledged that an early truce in Laos would help create a favorable atmosphere for negotiations. The broadcast, however, repeated the position taken in the Soviet note of 1 April that a cease-fire should be concluded by the Laotian "parties" themselves. The broadcast also urged that a "coalition government representative of a united Laotian people" be formed prior to the international conference but "with the help of the member countries of that conference."

[General Phoumi's plan of action calls for a parachute battalion to jump and to be landed via transports and helicopters slightly to the north of Muong Kassy. When the area has been secured, an infantry battalion from north of the Phou Khoun junction will be airlifted to the drop zone to begin a drive south on Muong Kassy in coordination with a push north by government troops located about eight miles south of the town. Meanwhile, diversionary air and ground attacks will be launched against Pathet Lao centers north and south of Luang Prabang.]

[This operation, as planned, seems within the capabilities of the Laotian armed forces. Kong Le - Pathet Lao strength in the area is estimated at only about one infantry battalion, supported by two 105-mm. howitzers, two 85-mm. guns, and six 20-mm. antiaircraft guns. Most of this enemy force is deployed south of the town, where it has been engaged with the government force moving slowly up from Vang Vieng.]

[However, there are unconfirmed reports that enemy troops parachuted several miles west of Vang Vieng on 3 and 4 April. The commander of government forces south of Muong]

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Kassy fears an enemy attempt to cut behind his lines.

[redacted] a Pathet Lao battalion was at that time in position west of Vang Vieng preparing an attack on the town in coordination with a Pathet Lao battalion coming from Muong Kassy. A company of North Vietnamese troops was included with three Pathet Lao companies in the force west of Vang Vieng.

Both Communist China and North Vietnam have indicated their endorsement of the Soviet proposals on Laos. Speaking at a reception in Peiping on 4 April, Vice Premier Lu Ting-yi stated that "the Chinese Government and people actively support" the Soviet note. Hanoi has repeated portions of a Pathet Lao broadcast by Souphanouvong, who "warmly welcomes the Soviet Government's good will and initiative" and agrees that "interested parties in Laos should open negotiations on problems relative to a cease-fire."

Peiping radio has not yet reported the threat made by Foreign Minister Chen Yi to newsmen in Djakarta that Communist China is prepared to counter any SEATO troop movement into Laos by sending in troops of its own.

[redacted] At least seven Soviet IL-14s and possibly three others flew to the Phong Saly area on 3 April. Apparently the Soviet IL-14 flights scheduled for Xieng Khouang on 3 April were canceled, probably to make aircraft available for the Phong Saly mission. One North Vietnamese IL-14 flew to Xieng Khouang, however. Five LI-2s flew to Kep Airfield, located about 45 miles northeast of Hanoi, on 3 April, and additional LI-2 and helicopter flights were scheduled to fly there on 4 April. It is possible that Kep is a storage site for supplies brought in from Communist China which are now being moved into Laos.

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~~SECRET~~Situation in the Congo

[The tension in Elisabethville is unlikely to interfere with Tshombé's reported plans to move on Kabalo in the northern part of Katanga, although the operation may be delayed somewhat.]

[white and African units have been airlifted to Kongo, north of Kabalo, and a move southward is imminent. Hammarskjold stated on 3 April that in his opinion, the presence of Indian troops at Kamina had brought Tshombé's offensive to a halt and a resumption of the operation was unlikely. However, the commanders in northern Katanga are likely to base their estimate of UN military effectiveness on the refusal of the Nigerian troops at Manono to intervene in the battle there. The operation thus may be undertaken despite the enlarged UN force in Katanga.]

[Hammarskjold said he believed that the Congolese in Leopoldville were becoming apprehensive of Tshombé's ambitions and are happy to see the UN exerting pressure on Katanga. The 24-hour time limit set by Hammarskjold for a reply from Leopoldville probably is a bargaining position and subject to modification. Hammarskjold does feel, however, that a prompt settlement of the Matadi dispute is a prerequisite for an improvement in relations between the UN and Leopoldville.]

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West German Officials Concerned Over Adenauer's Visit to  
The United States

[Adenauer probably views his trip as a means of enhancing his prestige with the German public prior to the German national elections this September. Similar pre-election trips to the United States in 1953 and 1957 were greatly beneficial to the chancellor.]

[Adenauer said that he viewed his visit as only a preliminary one to lay foundations and discuss broad trends and indicated that he hoped for a return trip before September.]

[Foreign Minister von Brentano and other Foreign Ministry officials are reportedly apprehensive that Adenauer, in his efforts to demonstrate his independence for the German electorate, may irritate the President by lecturing at length on the merits of German-American cooperation during the Dulles era. Their concern is shared by Heinrich Krone, leader of the Christian Democratic Union in the Bundestag, who believes that Adenauer's "obstinacy" in refusing to accept changing situations might cause him to lose contact with Bonn's most important allies.]

[The chancellor told Norstad that he is disturbed over reports from Washington relating to possible shifts in US defense policy, saying that "where there's smoke, there's fire." However, he said that recent assurances from Dean Acheson had somewhat allayed his fears. Adenauer indicated that he intends to discuss with the President the necessity for a US guarantee of the availability of atomic weapons for the defense of Europe and the need for NATO to have a voice in the use of these weapons. Adenauer also reportedly intends to make it clear that he considers West Germany a full and equal partner in the Western alliance.]

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USSR Reportedly Will Send a Top Leader to Indian Party Congress

[Suslov, a leading Soviet ideologist, led delegations to the French Communist party congresses in 1956 and 1959 and to the Italian Communist party congresses in 1956 and 1960. He also visited Great Britain as a guest of the British Parliament in 1947, toured the Brussels World Fair in 1958, and revisited England "informally" at the invitation of the British Labor party to promote Anglo-Soviet relations. His prospective trip to India, the first he has made to an Asian country, points up the seriousness with which the Soviet leaders view the inroads Chinese concepts have made in a party in which USSR has long had the predominant influence.]

[there will be no Chinese delegates at the party congress. The Chinese had apparently intended to have the delegation to the just concluded World Peace Council meeting in New Delhi remain in India to represent them at the congress. The Indian Government--apparently deliberately discriminating against Peiping--reportedly turned down the delegation's requests for visa extensions while approving visas for other foreign delegates. Nehru's government, while highly critical of any foreign influence in Indian political affairs, may hope that the Soviet Communist party, in contrast to the Chinese party, will exercise a moderating influence on the Indian party.]

[The last Indian Communist party congress was held in April 1958 at Amritsar, where the party formally adopted a "peaceful, parliamentary approach to power." Chronic factionalism among the Indian Communist leaders soon led to a renewed struggle over party policy, and the dissension was accentuated by the recent Sino-Soviet ideological dispute. A series of executive meetings in February failed to break the deadlock between the moderate and extremist groups. Leaders of the various factions are preparing for a showdown fight at the national congress in Vijayawada, Andhra Pradesh, but the final outcome is more likely to take the form of a compromise designed to hold the party together for the elections.]

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[early next year. Suslov's presence will increase the pressure on rival leaders to compromise their differences.]

[In recent months, Indian policies on the Congo, on the reorganization of the UN Secretariat, and on Laos have resulted in a deterioration of Indo-Soviet relations. In their conversation, Foreign Secretary Dutt attempted to reassure Ambassador Benediktov that India's over-all policy toward the USSR had not changed. He rationalized New Delhi's closer relations with Washington as a result mainly of a shift in American policies toward positions long held by the Indian Government. [redacted] Dutt recognizes that Indo-Soviet relations have deteriorated recently and has reportedly shown some apprehension that in his assignment as ambassador to Moscow--effective in June--he will not have as easy a time as has K. P. S. Menon during the past eight years.]

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~~CONFIDENTIAL~~Colombo and Peiping Sign 1961 Rice-Rubber Contract

The first five-year barter agreement was negotiated in late 1952. The conservative, pro-Western United National party government then in office was motivated solely by economic factors: at that time rice was difficult to obtain and world rubber prices were low.

Colombo has continued the exchange during the past eight years because the arrangement has provided a reliable source of nearly half the island's annual rice import requirements and a steady market for one of its three exports. Since 1953 all the annual contracts except last year's have involved a minimum exchange of about 200,000 tons of rice for 30,000 tons of Ceylon's rubber.

Negotiation of the yearly contract takes place alternately in Colombo and Peiping and normally is a routine process, although there occasionally have been protracted disputes over prices. The lengthy discussions on the 1960 contract marked the only occasion when the talks have taken a somewhat political turn; a few officials in the conservative caretaker regime in power in Ceylon at that time hoped to reduce the island's dependence on the pact, as well as to free for sale at better prices some of the rubber committed to China at fixed prices.

Burma is the other chief source of the island's rice imports. [redacted]

[redacted]

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