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14 December 1960

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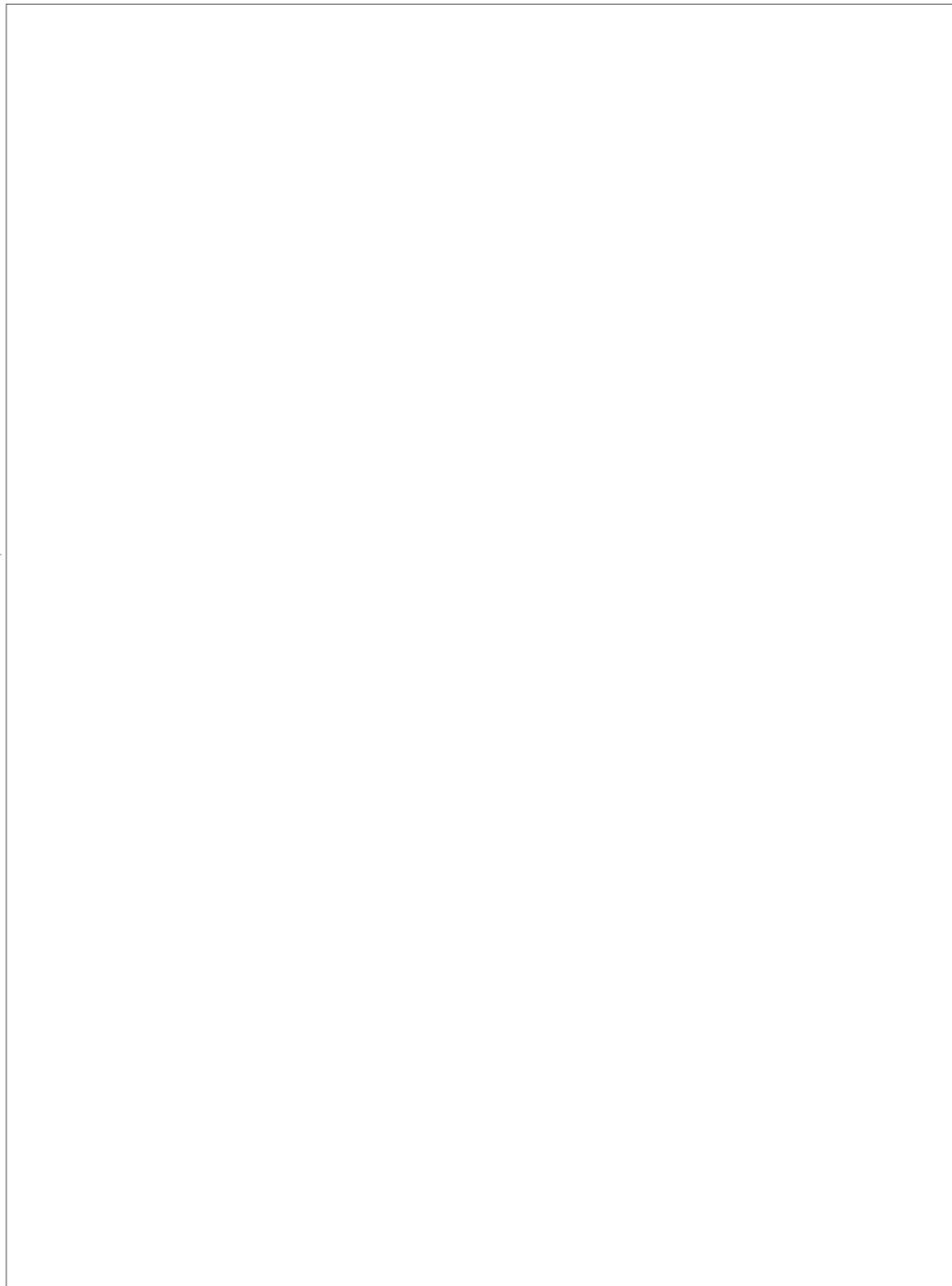
# CENTRAL INTELLIGENCE BULLETIN



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## LATE ITEM

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\*Ethiopia (As of 0500 EST): The Ethiopian Imperial Bodyguard, in a surprise move early this morning sealed off the palace and key transport and communications installations in Addis Ababa. Leaders of the 6,000-man elite military force have given no explanation so far for the move, nor have the instigators been identified. No violence or crowd reaction was reported, and local business activity remained normal. The Emperor, who has been away from Ethiopia for several weeks on a tour of West Africa, is now in Brazil, and the government is nominally in the hands of the inexperienced crown prince.

The Bodyguard's action appears to be primarily a demonstration of its long-standing dissatisfaction with present salaries and privileges rather than an effort to overturn Emperor Haile Selassie's regime or to stall a possible coup by others against the throne. However, the Bodyguard's action may have serious repercussions if the Emperor decides to take drastic action against this apparent affront to his unlimited power.

In mid-November the Bodyguard officers reportedly were about to voice their grievances to the Emperor but were dissuaded by senior officers who promised to intercede in their behalf. The Bodyguard dissenters claimed to have the support of many army and police officers, but united action by them would be difficult. There is intense rivalry among Ethiopia's Bodyguard, 24,000-man army and 35,000-man security forces as well as friction within each service between older officers who support traditional leaders and the younger men who have attended foreign or Ethiopian military schools. Furthermore, there is no suitable substitute for the Emperor who could hold the disparate country together. The logical successor, the crown prince, is not believed to have any significant political strength, and the following of any other important political leader is limited to provincial or factional support.

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14 DECEMBER 1960

## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

UAR offers substantial military and financial aid to Somali Republic. ①

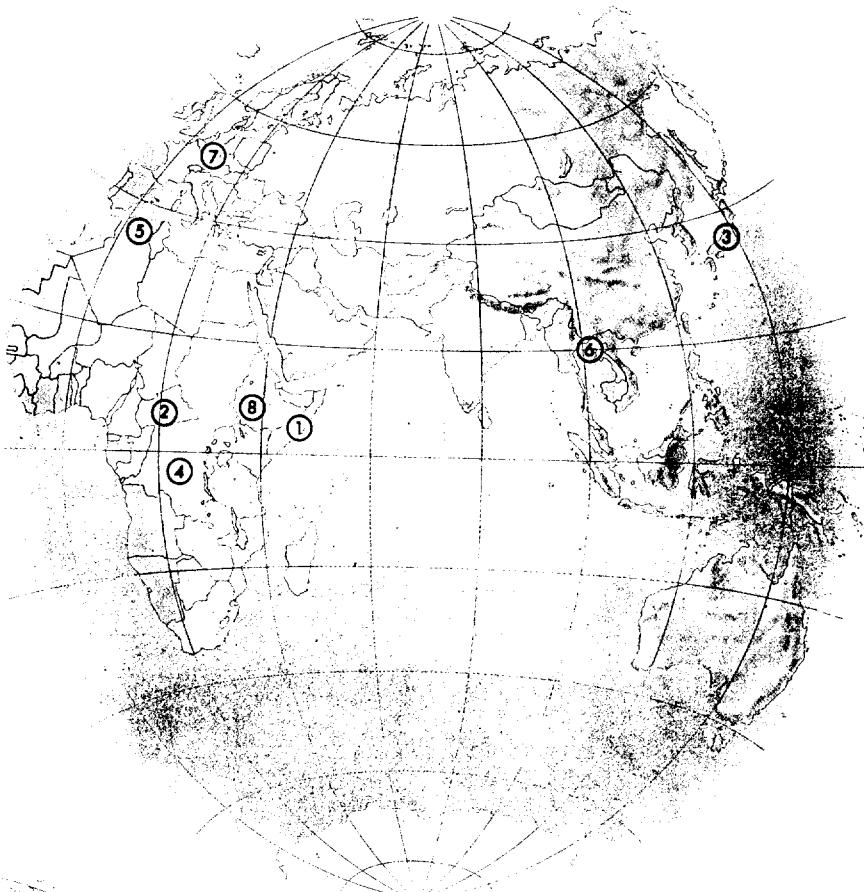
Central African Republic and USSR agree to exchange ambassadors; bloc's first diplomatic breakthrough in former French Equatorial Africa. ②

Japanese Government raises further obstacles to settling its obligation to US for postwar aid. ③

Congo--Relations between Kasavubu government and Tshombe's Katanga regime may be further strained by formation in Leopoldville of "liberation committee" to bring Katanga back into Congo. ④

Algeria--De Gaulle reportedly intends to punish European leaders of riots; to make speech to French people today. ⑤

The situation in Laos. ⑥



## III. THE WEST

⑦ West German - Soviet trade negotiations collapse following Soviet rejection of Bonn's efforts to include Berlin in agreement.

## LATE ITEM

⑧ Ethiopia-Imperial Bodyguard seals off palace and key installations in Addis Ababa, evidently as a show of strength to dramatize grievances during Emperor's absence.

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## CENTRAL INTELLIGENCE BULLETIN

14 December 1960

## DAILY BRIEF

## I. THE COMMUNIST BLOC

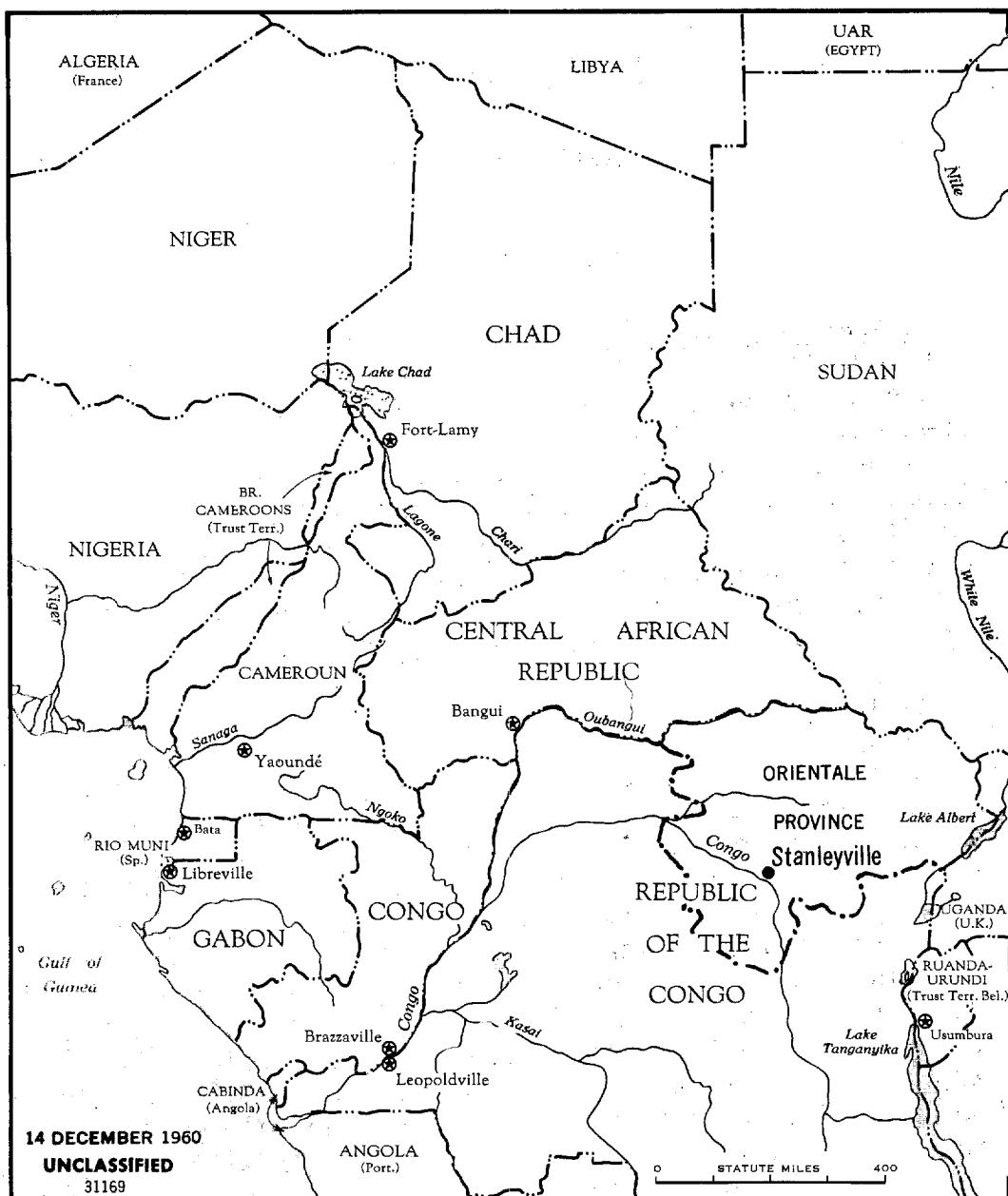
## II. ASIA-AFRICA

*Sirah*

Somali Republic - UAR: The UAR, which is engaged in an extensive campaign to extend its influence in the Horn of Africa, apparently has offered substantial military and financial assistance to the Somali Republic. Somali Premier Abdirascid stated to parliament on 6 December that Nasir had offered to give a "certain number" of aircraft and other military equipment, to grant loans for public works totaling eleven to fourteen million dollars, and to guarantee a market for Somali exports. The UAR may also have agreed to subsidize up to seven Somali diplomatic missions. [redacted] (Page 1) OK

Central African Republic - USSR: The announcement by the Central African Republic (CAR) and the USSR that they have agreed to exchange ambassadors "in the near future" marks the Soviet bloc's first diplomatic breakthrough in former French Equatorial Africa. It is also the first formal commitment by any African state of the French Community to accept a Soviet embassy. The economic weaknesses of the CAR and the other three now independent states of former French Equatorial Africa, along with the inexperience and instability of their governments, offer possibilities for a rapid expansion of activities throughout the area. The CAR's proximity to the Republic of the Congo--particularly Orientale Province--and the existence of considerable pro-Lumumba sentiment in the CAR could facilitate contacts between the bloc and Lumumba supporters in Stanleyville. [redacted]

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Japan: [The Japanese Government, despite recent requests from US officials for cooperation in relieving the American dollar outflow, is raising further obstacles to settling its obligation to the United States for postwar aid. Although the Japanese have been requested to repay less than one third of the \$2 billion total obligation, Foreign Minister Kosaka has asked the US to provide legal justification for its claim in order to facilitate passage in the Diet.] *no*

(Page 2)

Congo: The 12 December formation in Leopoldville of a "liberation committee" to bring Katanga back into the Congo may further strain relations between the Kasavubu government and the secessionist regime of Moise Tshombé. Despite their mutual antipathy to Lumumba, the Leopoldville and Elisabethville governments have failed to resolve differences concerning a Congo confederation to include Katanga. Reports that the Katanga liberation committee was formed with Kasavubu's and Mobutu's concurrence will further impair prospects for a reconciliation. The committee is dominated by representatives of the Baluba tribesmen now in revolt against Tshombé in northern Katanga.

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[ ] Cairo is attempting to determine whether its UN battalion in Equateur Province--whose imminent withdrawal has already been announced by the UAR--might better be used to supply pro-Lumumba forces in Stanleyville.

[ ] "it will be possible for us to send any assistance in weapons and ammunition... some ten kilometers into Orientale Province without attracting attention."

Algeria-France: An uneasy calm prevails in Algiers and Oran after four days of rioting. Army commanders have made plain their determination to put down any further disorders, and De Gaulle reportedly intends to punish severely the European leaders of the riots. The funerals of those killed during the disturbances are being held and could spark further violence. The

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killing of Moslems will accelerate Afro-Asian efforts to secure UN intervention in Algeria. Rebel Premier Ferhat Abbas has sent a protest to Secretary General Hammarskjold, and the Moroccan Government has officially protested to Paris. A sense of shock was evident in metropolitan France over the intensity of the Moslem demonstrations. De Gaulle returned to France last night, and reportedly will make a speech to the nation this morning.

(Page 3)

\*Laos: [The status of Vientiane is still in question as troops under Captain Kong Le attempt to repulse the attack begun by General Phoumi's forces on 13 December. Phoumi's troops apparently held the major portion of the city late on 13 December, but were receiving mortar and artillery fire from the airfield northwest of the city. Retention of the airfield by Kong Le would permit the continued Sino-Soviet bloc airlift of supplies unless interdicted by fire.]

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In addition to the continuing Soviet airlift, at least two North Vietnamese transports are to fly to Dien Bien Phu, near the Laotian border, on 14 December with "cargo and personnel to supervise," suggesting stepped-up North Vietnamese logistical support for Pathet Lao forces in Phong Saly Province. Additional bloc logistical support is suggested by the scheduling of five IL-14s-- also on 14 December--from Nanning to Hanoi.

Hanoi, Peiping, and Moscow are increasing propaganda charging "US intervention" in Laos. While this propaganda may represent an effort to justify more open support for Laotian leftists, it also could be intended to stimulate international fear about developments in Laos in the hope that some nations will support a bloc effort to get a negotiated Laotian settlement that would include the Communists in the government.

Meanwhile, Phoumi's Savannakhet Revolutionary Committee has formed a provisional government with Prince Boun Oum as premier and Phoumi as deputy premier and minister of defense. The new cabinet is strongly rightist in coloration and in effect

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represents an attempt to return to the situation before Kong Le's coup on 9 August.

### III. THE WEST

West Germany - USSR: Bonn's insistence that West Berlin be included in the new three-year trade pact with the USSR has resulted in a categorical rejection by the Soviet ambassador. Although Bonn has from the beginning requested that the USSR include West Berlin, only at the last minute did Bonn apparently make the signing of the agreement conditional on this demand. According to press reports, the Soviet trade negotiators are preparing to leave Bonn, and Foreign Minister Brentano stated on 12 December that the Federal Republic would continue to try to reach agreement through diplomatic channels. Meanwhile, Bonn has also been insisting that West Berlin and West Germany be treated as one "currency area" in present negotiations with East Germany on a new interzonal trade agreement, and the East Germans have not to date refused to continue the talks within this framework.

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~~CONFIDENTIAL~~UAR Extends Aid to Somali Republic

The UAR, which is engaged in an energetic campaign to extend its influence in the Horn of Africa, apparently has offered substantial military and financial assistance to the Somali Republic. Somali Premier Abdirascid told his parliament on 6 December that, during his recent visit to Cairo, Nasir offered to give a "certain number" of aircraft and other military equipment and to grant loans for public works totaling eleven to fourteen million dollars. According to a formal accord published on 11 December, the UAR has also agreed to guarantee a market for bananas and other Somali exports in exchange for a Somali commitment to purchase various manufactured goods in Cairo. In addition, the UAR reportedly offered to pay the costs of up to seven diplomatic missions for the poverty-stricken Somalis.

The agreements with Cairo will provide the Somali Republic with its first aid from a non-Western source. Heretofore, assistance has been furnished by the United States, Britain, and Italy--the latter having committed itself to increased short-term financial support only last month. The accords with the UAR are a further indication of the Somali willingness to seek assistance from all sources and will furnish Cairo with an enlarged foothold in the area. [redacted]

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~~CONFIDENTIAL~~Japan Again Demurs on Paying Aid Obligation to US

The Japanese Government, despite appeals by American officials for cooperation in relieving the drain of dollars from the United States, is raising further obstacles in its six-year effort to delay a settlement for economic aid received from the US through the Government and Relief in Occupied Areas (GARIOA) program. Japan is being asked to pay approximately \$650,000,000 of the \$2,000,000,000 assistance provided by the US immediately after World War II. The payment formula proposed by the US is similar to those accepted by Italy and West Germany.

The Japanese first deferred settlement on the grounds that they had assumed the assistance had been extended on a grant basis. More recently, they have objected because of an alleged political liability which it poses for the government. Although high Japanese officials in the Kishi cabinet had previously acknowledged a legal obligation and had commenced negotiations for a settlement,

the US must demonstrate legal justification for the claim and present a detailed computation of the amount of aid provided if any agreement reached is to have "reasonable expectation of passage in the Diet."

the Ikeda government will not make known its position on settling the GARIOA obligation until the policies of the new US administration become apparent. He referred, however, to a proposal made by former Prime Minister Kishi that any Japanese payment be utilized for cooperative economic assistance to Southeast Asia and for exchange-of-persons programs between the US and Japan. It seems likely that Japan's reluctance to settle this obligation, as well as to accelerate its trade liberalization program and expand economic assistance to underdeveloped countries, will be strengthened by fears that US "dollar conservation" measures will not assure the income necessary to implement these steps.

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~~SECRET~~Uneasy Calm in Algeria

An uneasy calm prevails in Algiers and Oran after four days of rioting. Public transportation is beginning to function again, and some downtown shops are open. Army commanders have made clear their determination to put down any further disorders, and a 13 December attempt by Europeans to march on the Moslem sector of Oran was repulsed by security police. Army units in the city of Algiers have been reinforced and now number approximately 25,000. Some 40 Europeans arrested during the first day have been brought before an Algiers court.

The funerals of those killed during the disturbances are being held, and further violence might erupt among either the Moslem or European crowds attending. The killing of Moslems--Delegate-General Morin has admitted that at least 45 were killed in the Algiers area--will accelerate Afro-Asian efforts to secure UN intervention in Algeria, and the support shown for the National Liberation Front by the Moslem rioters will no doubt be used to undercut the long-standing French argument that the front represents only a small minority of the Moslem population.

Rebel Premier Ferhat Abbas, in a 12 December press conference, again rejected De Gaulle's plan to reorganize the public powers in Algeria, and soon afterward he sent a protest to Secretary General Hammarskjold regarding the killing of Moslems. The Moroccan Government has also sent a formal protest to Paris.

A sense of shock is evident in metropolitan France following the Moslem demonstrations in Algeria. French security forces continue to round up known rightist supporters to prevent trouble in France on the return of President de Gaulle. [redacted]

[redacted] said De Gaulle cut one day from his Algerian trip to make a "solemn appeal" to the nation and Algeria this morning. There is no indication that De Gaulle has been dissuaded from his earlier plan for a national referendum on 8 January and the creation of an interim Algerian government with local autonomy, but he is reportedly angry over the rioting and may crack down on the leaders of both European and Moslem demonstrations. [redacted]

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~~CONFIDENTIAL~~Bonn-Soviet Trade Talks Collapse

Bonn's insistence that West Berlin be included in the new three-year trade pact with the USSR has resulted in a categorical rejection by the Soviet ambassador. Although Bonn has from the beginning requested that the USSR include West Berlin, the decision to make signing of the agreement conditional on this demand apparently was made only at the last minute. According to press reports, the Soviet trade negotiators are preparing to leave Bonn. Foreign Minister Brentano stated on 12 December that the Federal Republic would continue to try to reach agreement through diplomatic channels.

[Bonn's chief negotiator, Hilger Van Scherpenberg, told American officials that Soviet negotiators had countered his attempt to include Berlin--either by an exchange of letters or by an oral statement--by arguing that Moscow had not authorized discussion of political questions.] The three-year trade pact concluded in 1958, which expires on 31 December, did not specifically include West Berlin, but the USSR has tacitly allowed the city's trade to be treated as part of the West German "currency area."

[Bonn was earlier reported to favor dragging out negotiations as long as possible in the belief that the Soviet desire to sell large quantities of oil and other products to West Germany in return for German industrial goods would facilitate the inclusion of Berlin in the treaty. Van Scherpenberg reportedly told members of the Bundestag Foreign Affairs Committee on 1 December that if the USSR threatened to break off negotiations over the Berlin issue, Bonn would have to back down.] In late October, however, Brentano indicated that at the last minute Bonn would demand that the agreement also apply to West Berlin and would insist on new negotiations if the USSR refused.

Berlin leaders are strongly urging Bonn not to yield to the USSR on this issue. West Berlin Mayor Brandt stated on 11 December that "a failure to clarify Berlin's part in the new trade

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agreement would signify German agreement to a substantial part of the Soviet free-city proposal." Brandt stressed that "prestige" issues such as a formal "Berlin clause" in the treaty itself are not important as long as the present method of handling the city's trade is not changed. Bonn has announced that lack of an agreement would not preclude trade between the two countries, which can continue on the basis of individual orders.

Meanwhile, Bonn has also been insisting that West Berlin and West Germany be treated as one "currency area" in present negotiations with East Germany on a new interzonal trade agreement, and the East Germans have not to date refused to continue the talks within this framework. [redacted]

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