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16 June 1960

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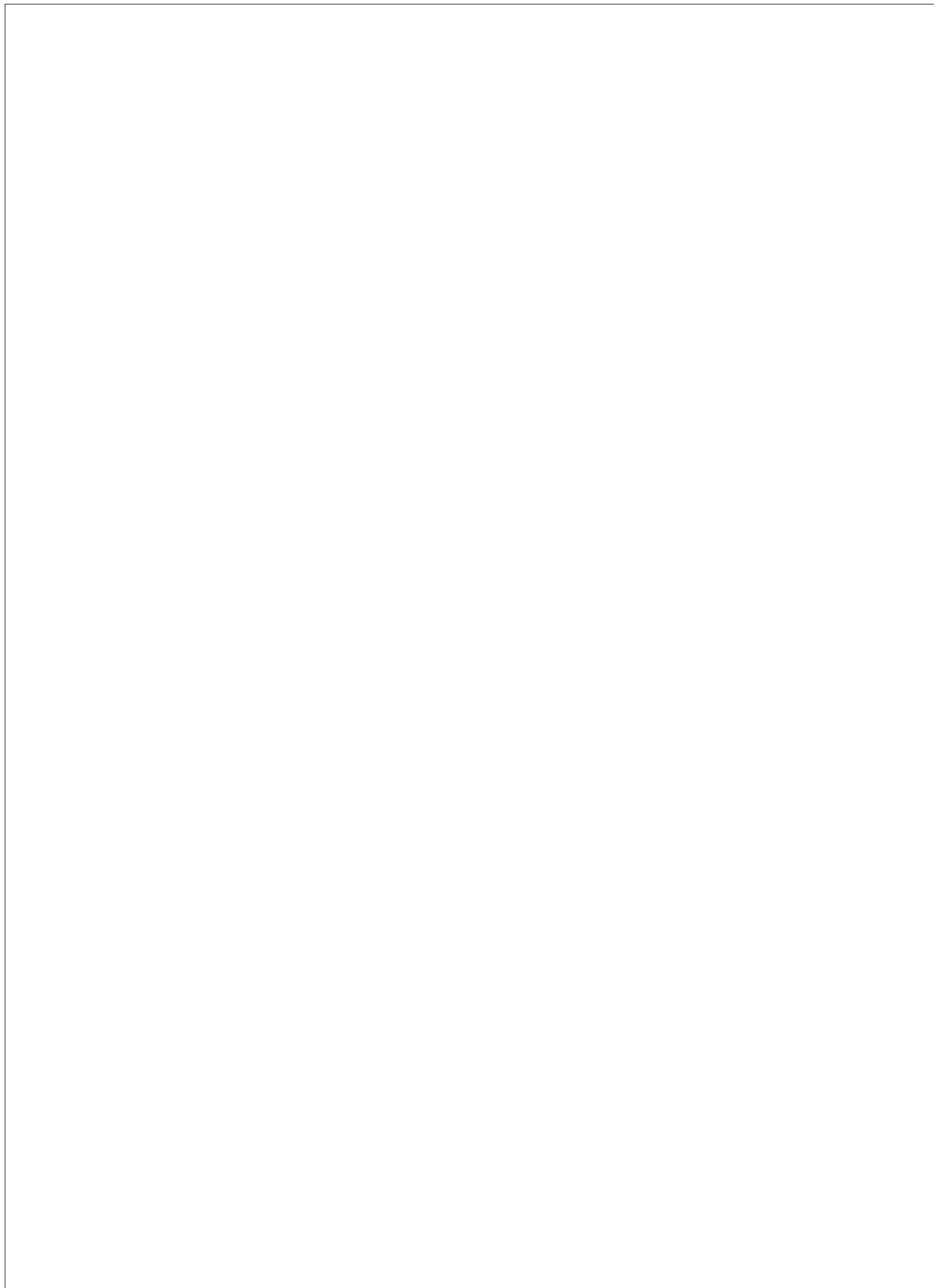
# CENTRAL INTELLIGENCE BULLETIN



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16 JUNE 1960

**I. THE COMMUNIST BLOC****II. ASIA-AFRICA**

Conciliatory tone of De Gaulle's 14 June speech may lead to new efforts toward an Algerian cease-fire.

Belgian Congo--Designation of Lumumba to form government gives no promise of halt in political deterioration.

South Korea--Chang Myon, who may lead new government, forecasts an "economic crisis" if supplementary US aid not provided.

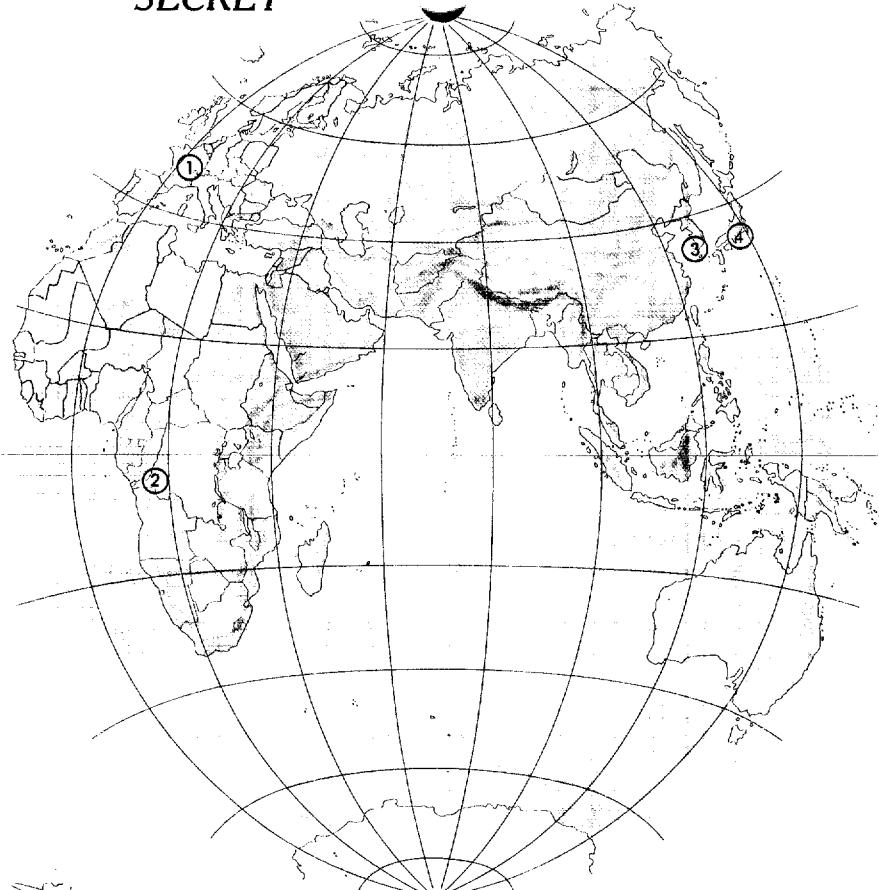
Japan--Political maneuvering continues and outcome of plan to recess Diet uncertain.

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## CENTRAL INTELLIGENCE BULLETIN

16 June 1960

## DAILY BRIEF

## I. THE COMMUNIST BLOC

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## II. ASIA-AFRICA

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Algeria-France: De Gaulle's address on 14 June was conciliatory in tone and will probably stimulate new efforts to bring about talks on a cease-fire in Algeria. In Paris, De Gaulle's assurances to the rebel leadership have offset some of the pessimism generated by speeches last March in which De Gaulle assured the army of a continuing role in Algerian affairs, and stressed pacification. Initial reaction among rebel sympathizers in Morocco and Tunisia has been favorable. The rebel provisional government, now meeting in Tunis, will probably express qualified approval of De Gaulle's remarks, while reiterating its opposition to any surrender of arms or to any partition under De Gaulle's self-determination program.

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Belgian Congo: The selection of Patrice Lumumba to form a government--he claims to have assembled the necessary legislative majority--will be unlikely to halt political instability in the colony. Many European residents will be disillusioned by the authorities' seeming capitulation to Lumumba, who had threatened "dire action" if he were not chosen, and many African groups oppose him. In Leopoldville and Katanga provinces, separatist sentiment continues strong. The Abako party in Leopoldville has proposed the establishment of a new province in the lower Congo as its own special preserve; threats of secession by the influential Conakat party in Katanga Province prompted Belgian authorities, on 14 June, to declare a state of emergency there.

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[South Korea: Democratic party leader Chang Myon believes there will be an "economic crisis" this winter unless supplementary American aid is forthcoming to offset the loss of funds he alleges were diverted by the Rhee regime. Chang, a long-standing opponent of Rhee, stands a good chance of heading the new government following national elections expected in July or August. This may explain his expression of concern. Tax collections are off as the result of the recent political uncertainties, but up to the present the economy has continued relatively stable.] (Page 2)

\*Japan: (Information as of 0400, EDT 16 June) Intensive political maneuvering is continuing in Japan and the decision on a plan to recess the Diet during the President's visit is now reported to be in the hands of the executives of the governing Liberal Democratic party. The law provides that a recess requires the concurrent decisions of both houses. The timing and length of any recess would presumably be determined by the resolution put before the two houses. If a decision is made to recess the Diet, the majority position of the government party should enable it to obtain approval for the length of the recess it wants. The date on which the security treaty would be automatically ratified would accordingly be extended for the number of days the Diet is in recess. There are some indications, however, that party leaders might keep the Diet in session. This would assure ratification of the treaty on 19 June, the day the President arrives in Tokyo. Late press reports from Tokyo indicate that the situation has deteriorated to the point where consideration is being given by the government to cancellation of the President's visit. Demonstrations near the Diet have been renewed.

### III. WATCH COMMITTEE CONCLUSIONS

The Watch Committee conclusions remain unchanged from those of last week.

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~~CONFIDENTIAL~~Lumumba Named to Form Congo Government

Brussels' action in asking National Congo movement leader Patrice Lumumba to attempt to form a government appears unlikely to halt political instability in the period prior to the colony's independence on 30 June. Although Lumumba claims to have the support of a majority of the 137-seat legislature, groups opposing him are numerous and vocal.

The choice of Lumumba appears to have been dictated by reasons of expediency. Resident Congo Minister Van Der Meersch indicated to American officials in early June that he believed it safer to give Lumumba the premiership than to turn to a weakly joined coalition of moderates open to the charge of being Belgian puppets. Although Lumumba's remarks since being invited to form a government have been conciliatory in tone, Belgian officials probably hope that his government, if actually formed, will ultimately give way to a coalition of moderates.

In any case, the investiture of Lumumba--in combination with partisan maneuvering for control of various provincial assemblies--could increase secessionist sentiment in the Congo. In contrast to Lumumba's espousal of a strong central government, the influential Abako party in Leopoldville Province has petitioned King Baudouin to permit it to form a new semiautonomous province in the Leopoldville area. The Abako move appears to have been prompted in part by chagrin that a rival party gained a slim majority in the present provincial assembly.

In Katanga Province, there is increasing sentiment for a dissolution of all ties with the Congo. A boycott of the Katanga assembly by the minority Balubakat party has kept attendance below the two-thirds quorum necessary before the majority Conakat party can organize the assembly. Subsequently, Conakat spokesmen have threatened action ranging from an appeal to the UN to the formation of a separate government if the requirement for a two-thirds quorum is not amended by the Belgians. Belgian authorities, taking cognizance of rumors of separatist moves, declared a state of emergency in Katanga on 14 June.

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### South Korean Political Leader Forecasts Economic Crisis

Conservative Democratic party leader Chang Myon feels that there will be an "economic crisis" this winter unless South Korea receives supplementary American financial aid to offset the loss of government funds he alleges were diverted by the former Rhee regime. Chang, a long-standing opponent of Rhee, stands a good chance of becoming head of the new South Korean government following national elections expected this July or August. This may explain his expression of concern.

The new constitution approved by the National Assembly on 15 June provides for a cabinet and prime minister responsible to the legislature and a president with greatly reduced powers elected by the assembly for a five-year term. Chang claims to fear that an economic crisis might discredit the government then in power--presumably his own party--and open the way for a left-of-center government. A number of nonconservative groups have emerged in the new climate of political freedom since Rhee's ouster, and might capture the balance of power in the new legislature should factionalism divide the conservatives.

Tax collections are off as a result of political uncertainties, but economic conditions up to the present have shown relative stability. There is a plan to compensate for tax losses. The administration of Acting President Huh Chung is releasing about 162,650 bushels of government-held rice each month to force down grain prices, [redacted]

[redacted]

[redacted]

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~~CONFIDENTIAL~~**THE PRESIDENT**

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

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

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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