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# CENTRAL INTELLIGENCE BULLETIN



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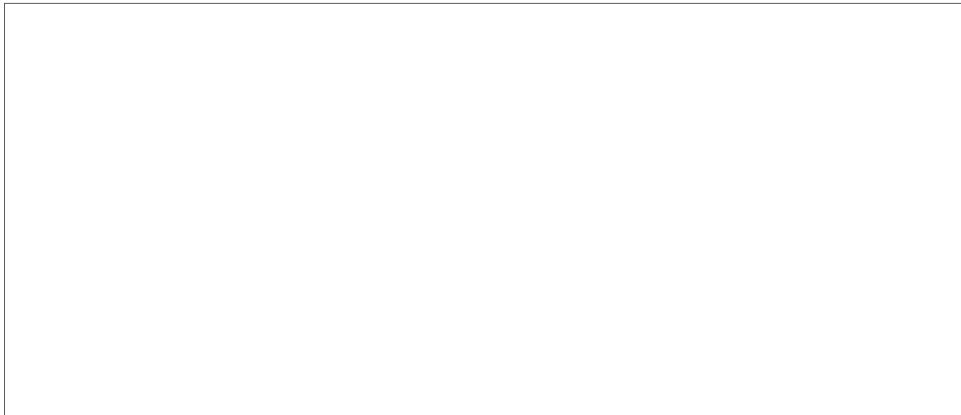
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13 AUGUST 1960

**I. THE COMMUNIST BLOC**

Khrushchev offers aid to Ghana in addition to that covered in economic aid agreement soon to be announced. [redacted] ①

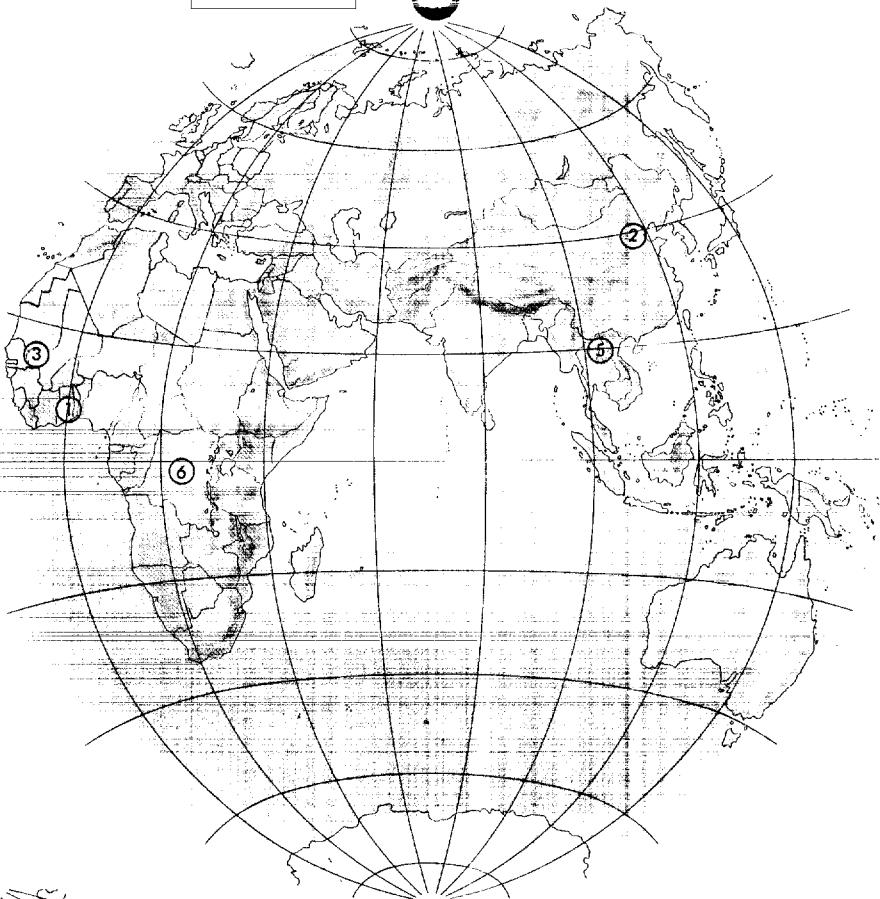
Chinese Communists now moving to soften their dispute with Indonesia. ②

**II. ASIA-AFRICA**

Federation of Mali--Dispute between leaders of constituent states of Soudan and Senegal sharpens to the extent their federation may be threatened. ③

**III. THE WEST**

Peru to support diplomatic break with Dominican Republic in forthcoming OAS session but is not yet ready to support a move against Cuba. ④

**LATE ITEMS**

- ⑤ Comment on situation in Laos.
- ⑥ Comment on situation in Congo.

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**CENTRAL INTELLIGENCE BULLETIN**

13 August 1960

*SIRAB***DAILY BRIEF****I. THE COMMUNIST BLOC**

USSR-Ghana: [Khrushchev on 5 August told the Ghanaian delegation now in the USSR that Moscow would be willing to provide assistance for the Ghanaian merchant marine, for a naval base and school, and for a civil air line. These offers are apparently in addition to the projects covered in an aid agreement believed recently concluded and soon to be announced. Khrushchev indicated at the same time that, should Nkrumah request it, the USSR would assist Ghana with its Volta River hydroelectric scheme on terms more favorable than those obtainable in the West; this project is in the final stages of negotiations with Western aluminum interests and the International Bank.] 7/20

(Page 1)

Communist China - Indonesia: Peiping is following up its conciliation on boundary questions with Burma and Nepal with moves to soften its dispute with Indonesia. Chinese Communist Foreign Minister Chen Yi has expressed satisfaction with Djakarta's regrets over last month's incident in which two Overseas Chinese were killed, and he has promised to consider ending Peiping's abusive radio attacks. [In addition, Communist China has agreed to the designation of a new Indonesian ambassador who was previously indicated to be unacceptable.] OK

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**II. ASIA-AFRICA**

Mali: Discord between leaders of Senegal and Soudan--the constituent states of the newly independent Federation of Mali--is sharpening to such an extent that it could lead to an early break-up of the federation. Senegalese leaders have become increasingly antagonized by Soudanese attempts to dominate the

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federation, and the Soudanese apparently are backing away from an earlier commitment to support Leopold Senghor, Senegal's top leader, for the presidency of Mali in a vote now scheduled for 27 August. ( ) (Page 3)

### III. THE WEST

Organization of American States: [Venezuela is demanding that a resolution calling for a complete break in relations with the Dominican Republic be passed at the first of the two Organization of American States (OAS) meetings beginning 16 August in San Jose, Costa Rica. Peru will support a break in diplomatic relations--a step already taken by Lima--but not a break in commercial relations, according to the American chargé in Lima. At the subsequent meeting on the Cuban issue, which Peru proposed, it will back a strong resolution condemning Sino-Soviet interference in the hemisphere. Unless Cuba makes new attacks on the OAS or on Peru, the Peruvian Government would not, however, want to support a resolution against Cuba.] (Page 4)

### LATE ITEMS

\*Laos: The Revolutionary Committee's announcement in Vientiane that the Somsanith government is on the point of submitting its resignation is unconfirmed, and may be overly optimistic.

Lao government leaders in Luang Prabang have rejected the terms of the Revolutionary Committee, and are not going to Vientiane as earlier reported.

General Phoumi has returned to Savannakhet after conferring in Luang Prabang and is eager to "get fighting." In order to strengthen his hand in any show-down or negotiations with the rebellious units in Vientiane, Phoumi is making urgent plans for the transfer to Savannakhet of the 200 Lao paratroopers in training in Thailand. Meanwhile, the latest communiques issued by Captain Kong Le, leader of the Revolutionary Committee, are considerably more moderate in tone than those immediately following the take-over of Vientiane on 8 August. They

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assert the Revolutionary Committee's respect for the monarchy and the constitution, and do not give support to press reports to the effect that all American personnel would be expelled from Laos and that Communist bloc assistance would be sought.

Radio Hanoi reports that the pro-Communist Pathet Lao movement has expressed "full support" for the coup group in Vientiane, has proposed the prompt formation of a "national coalition government," and has called for joint action by Lao government and Pathet Lao forces to forestall countermoves by the US and pro-American forces in Laos.

(Page 5)

\*Republic of the Congo: The relatively uneventful entry into Katanga of Secretary General Hammarskjold and the advance guard of his UN occupying force has coincided with efforts by Congo Premier Lumumba to strengthen his government in Leopoldville. However, a conference of the separatist Abako party, scheduled to begin on 13 August, may lend new impetus to anti-Lumumba sentiment by declaring the lower Congo area independent of the central government.

the USSR is looking forward to the time when, in concert with African states such as Ghana and Guinea, it might demand the evacuation of UN contingents from the Congo, presumably after Belgian troops have been withdrawn, on the ground that the UN should not be charged with the future administration of the Congo. Moscow, presumably confident of securing African support for such a move, could be expected to accompany the demand with new offers of technical and economic aid.

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is incorporated  
in 15 Aug  
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~~TOP SECRET~~Moscow Expands Offer of Economic Aid to Ghana

Soviet Premier Khrushchev, in talks at Yalta on 5 August with a Ghanaian delegation, expanded the USSR's earlier offer of economic and technical aid to include assistance for a Ghanaian naval base and school and for the Ghanaian merchant marine and a civil airline. The delegation--which had come to the USSR to negotiate the earlier Soviet offer, reportedly amounting to \$280,-000,000--agreed with Khrushchev's suggestion that discussions on the new proposals begin as soon as possible. Soviet aid for the merchant marine and the civil airline may include the supply of ships and aircraft, as well as technical assistance for the operation of such services.

Khrushchev also offered to assist Ghana with its Volta River hydroelectric and aluminum production project on terms more favorable than those available in the West. Ghana now is in the final stages of negotiations with the International Bank of Reconstruction and Development and a consortium of Western aluminum producers regarding aid for this project.

Khrushchev's response to Accra's decision to accept Soviet aid reflects an awareness of the key role Ghana plays in Western African political affairs. The bloc's aid effort in this region has so far concentrated largely on Guinea.

The USSR offered in June to carry out some 28 projects in Ghana, including the construction of hotels and sewer systems, car assembly and fertilizer plants, an atomic reactor, and a steel mill. Inasmuch as Moscow and Accra are preparing a joint communiqué covering the results of negotiations over this offer, an agreement has evidently been reached under which at least some of these projects will be implemented.

As in similar arrangements with underdeveloped countries, Moscow will probably accept local commodities in payment for its aid. The Ghanaian delegation has made tentative arrangements for the USSR to buy cocoa directly from Ghana instead of through the international market in London.

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## Peiping Displays Softer Attitude Toward Indonesia

To help dispel an appearance of unreasonableness, Peiping is following up its conciliation on boundary questions with Burma and Nepal with moves to calm its dispute with Djakarta over Indonesian treatment of Overseas Chinese. This dispute was sharpened considerably a month ago when two Overseas Chinese who resisted resettlement measures were killed by Indonesian troops in Tjimahi, West Java. Foreign Minister Chen Yi recently told two Indonesian journalists in Peiping he was satisfied with Djakarta's expression of regret over the incident, and he promised to consider an end to abusive radio attacks which have greatly annoyed the Indonesians. President Sukarno refused for over four weeks to receive the Chinese ambassador, who was eager to present "urgent messages" from Peiping.

[Communist China has also agreed to accept the new Indonesian ambassador who it had previously indicated was not welcome. Peiping had stalled on accepting the ambassador, whose name was submitted at the time of the Tjimahi incident, in order to show its displeasure over the Overseas Chinese issue.]

Chinese Communist propaganda is pointing to Peiping's ability to resolve disputes with other Asian countries to suggest that Indian rather than Chinese stubbornness is responsible for the impasse in Sino-Indian border negotiations. Indian delegates returning from the first session of "fact-finding" talks in Peiping reportedly contend that the Chinese showed not the least accommodation on the Ladakh occupation and insisted that an agreement could be negotiated only on the basis of Chou En-lai's compromise formula, under which Chinese claims in the Ladakh area would be recognized in exchange for Indian claims along the McMahon line, in northeastern India.

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Senegalese-Soudanese Friction Shaking Mali Federation

Discord between Senegal and Soudan--the constituent states of the newly independent Federation of Mali--has recently intensified to such an extent that an early break-up of the federation is possible. This latest and most serious in a series of such crises between the federal partners--whose basic outlooks and temperaments diverge widely--is the result of increasing resentment on the part of the moderate Senegalese over Soudanese attempts to dominate Mali. The Soudanese, whose top leader, Modibo Keita, is foreign minister as well as head of the Mali Government, have been placing a disproportionate number of their people in federal positions. They have also been trying, quite openly, on at least one recent occasion, to induce younger elements in the Senegalese Government to work for the more vigorous domestic policies and the more aggressive, pan-African-oriented foreign policy favored by Soudan.

This heightened friction, already reflected in a wrangle over the naming of a chief of staff for the Mali Army, appears to be building up toward a showdown in connection with the election, now scheduled for 27 August, of a federal president by the combined legislatures of Mali, Senegal, and Soudan. A top-level decision reached last May supposedly cleared the way for the election to this post of Leopold Senghor, Senegal's principal spokesman and the chief architect of the Mali Federation. Now, however, the Soudanese are insisting they agreed only that the presidency should go to a representative of Senegal.

[redacted] they have decided definitely to oppose Senghor, whom they regard as an obstacle to the "consolidation" of the federation and to a possible future association with other independent states of former French West Africa. [redacted]

[redacted] the Soudanese, who are in a position to prevent any candidate from obtaining the necessary two-thirds majority, plan to seek an indefinite postponement of the balloting or, if that is not possible, to support Senghor's Senegalese rival, Lamine Gueye.] Senghor's supporters are reacting to these indications with dire predictions implying a possible move by Senegal to secede from the federation if Senghor is not chosen. [redacted]

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Possible Developments at OAS Meetings

Venezuela is demanding that a resolution calling for a complete break in relations with the Dominican Republic be passed at the first of the two Organization of American States (OAS) meetings beginning 16 August in San Jose, Costa Rica. Peru will support a break in diplomatic relations--a step already taken by Lima--but not a break in commercial relations, according to the US charge in Lima. At the subsequent meeting on the Cuban issue, which Peru proposed, it will back a strong resolution condemning Sino-Soviet interference in the hemisphere. Unless Cuba makes new attacks on the OAS or Peru, the Peruvian Government would not, however, want to support a resolution against Cuba.

The Trujillo regime now has no supporters among the Latin American states. In its propaganda efforts and in the statements of its officials, it is showing a bitterness against the United States which, in many aspects, closely parallels that of the Castro regime in Cuba. The two regimes, heretofore generally considered at opposite ideological poles, may well find themselves allies at the foreign ministers' meetings. In a letter to air force officers prior to his departure for Europe on 7 August, General "Ramfis" Trujillo, the dictator's son, stated that the United States has turned against both Trujillo and Castro because both attacked US business interests--"When those people's dollars and cents are touched, no one can shut them up." The American Embassy interprets the letter, a bitter tirade against the United States, as clear indication that dictator Trujillo intends to retain control and that he is "to some extent at least sympathetic to Castro."

Communists and other pro-Castro groups in Costa Rica are evidently planning disturbances during the conference, including picketing the conference site and holding public meetings denouncing the OAS. However, there is no large group of dissatisfied individuals in the Costa Rican capital that would be readily exploitable in mob action, and any disturbances are likely to be carried out by individuals and small groups which could be controlled by Costa Rica's 2,400-man civil security force.

minor disturbances are probable  
and violence is possible. but either will probably be controlled.]

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Situation in Laos

Emissaries continue to shuttle back and forth between the Somsanith government temporarily seated in Luang Prabang and the Revolutionary Committee holding forth in Vientiane, but these indirect negotiations thus far have been inconclusive. Claims by the Revolutionary Committee that the government is about to tender its resignation are unsubstantiated and may be overly optimistic. Government leaders may be stalling for time in order to assess their political and military strength throughout the country before entering into serious negotiations or initiating possible military counter-action.

[redacted]  
[redacted] the government leaders in Luang Prabang have rejected the terms of the Revolutionary Committee and are not proceeding to Vientiane as earlier reported. [redacted]

[redacted] General Phoumi, who has established a temporary command post at Savannakhet in south central Laos, is eager to "begin fighting" after a series of quick conferences with both Lao and Thai government leaders. Phoumi has ordered the immediate return to Savannakhet of 200 paratroopers who have been undergoing advanced training in Thailand. He apparently is counting on using these troops and an additional 400 paratroopers stationed in Luang Prabang and Pakse as the nucleus of a potential strike force against Vientiane.]

There are growing signs that Captain Kong Le, leader of the coup group, is operating on a shoestring and is attempting to stampede the government into a quick settlement before his situation becomes readily apparent. His exhortations over the Vientiane radio for the Lao people to rise up and support his reform movement have evoked no discernible response thus far from either civil or military quarters outside Vientiane. [Rebel strength in Vientiane is about 1,200 men, but all of these apparently are not strongly loyal to Kong Le. The troops, fatigued

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[from practically continuous duty since 8 August, are becoming shabby and are on short rations; there are reports that some junior officers are becoming disgusted, while others are clamoring for action.]

The latest communiqés issued by the Revolutionary Committee are considerably more moderate than its initial statements following the takeover on 8 August. It announced on 12 August that the term "Revolutionary Committee" is inappropriate, and that "coup d'etat committee" is preferable inasmuch as the committee has no desire to change the system of administration and fully respects the king and constitution. It also stressed that no political group or foreign nation was behind the coup. Press reports to the effect that all American personnel would be expelled from Laos and that Communist bloc assistance would be sought were termed "completely unfounded."

The situation in Vientiane is outwardly calm, but food supplies are dwindling and the Revolutionary Committee has warned merchants against hiking prices. Rumors are rife, and a local USIS employee reports that the people believe the "Communists" have taken over the town.

The Communists are exploiting these developments. According to Radio Hanoi, the dissident Pathet Lao movement has voiced "full support" for the coup group in Vientiane, has proposed the prompt formation of a "national coalition government," and has called for joint action by the Lao government and Pathet Lao forces to forestall countermoves by the US and pro-American forces in Laos. Hanoi has lauded the policy of "peace and neutrality" proclaimed by Kong Le and has assured the Laotian people of the "sympathy and support of peace-loving people throughout the world." Peiping, breaking almost three days' silence on the coup, has begun to carry extensive reports on the situation in Laos. Moscow radio comments that events in Laos are another expression of the process taking place in various countries linked to the United States by "aggressive military blocs."

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## LATE ITEM

The Situation in the Congo

The arrival in Elisabethville of Secretary General Hammarskjold and the first two companies of the UN occupying force was accomplished without serious incident on 12 August. Premier Tshombé's conspicuous display of the flag of "independent" Katanga, however, together with his continuing ban on the entry of any representative of the Lumumba government, indicates that he will continue his vigorous opposition to any move to reunite Katanga with the Congo government as presently constituted.

In Leopoldville, Premier Lumumba has taken steps designed to bolster his internal position in the face of mounting criticism of the unitary state he espouses, and growing sentiment for the type of Congo confederation favored by Tshombé. The Congo Government on 11 August arrested the editor of a Catholic newspaper who had earlier been linked with alleged plotting against the government. On the same day, Information Minister Kashamura personally closed down the Belgian news agency outlet in Leopoldville, charging it with false reporting in connection with antigovernment demonstrations on 10 August. The leftist Kashamura, whose anti-Belgian broadcasts helped inflame Congolese opinion during the recent Force Publique depredations, stated that the Belgian facilities would be operated by the Congo Government. The government reportedly is also closing down the facilities of the official French news agency.

A conference of the separatist Abako party, scheduled to begin outside Leopoldville on 13 August, may lend new impetus to anti-Lumumba sentiment by declaring the lower Congo area--where the Abako has long been dominant--independent of the central government. [ ] the Abako central committee plans to take such action, with or without the concurrence of its leader, President Kasavubu. [ ]

[ ] the USSR is looking forward to the time when, in concert with African states, it

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might demand the evacuation of UN contingents from the Congo, presumably after Belgian troops have been withdrawn. Ambassador Menshikov, in a meeting in early August with the Liberian ambassador in Washington, inquired if Liberia would support a demand for withdrawal of UN forces from the Congo after order had been restored, in order that the Congolese might be "free to choose" their sources of aid and assistance. Menshikov asserted that he did not think the UN should be charged with the future administration of the Congo. Moscow is probably confident of securing support from African governments, especially Guinea and Ghana.

Moscow could be expected to accompany such demands by offers of economic and technical assistance to the Congo Government, despite disclaimers by First Deputy Foreign Minister Kuznetsov to Hammarskjold on 10 August that the Soviet Union would be willing--in contrast with normal Soviet policy--to channel its aid to the Congo through the UN.

The Soviet Union has already provided some direct aid in the form of food, medical assistance, and one transport aircraft.

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Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

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