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31 December 1960

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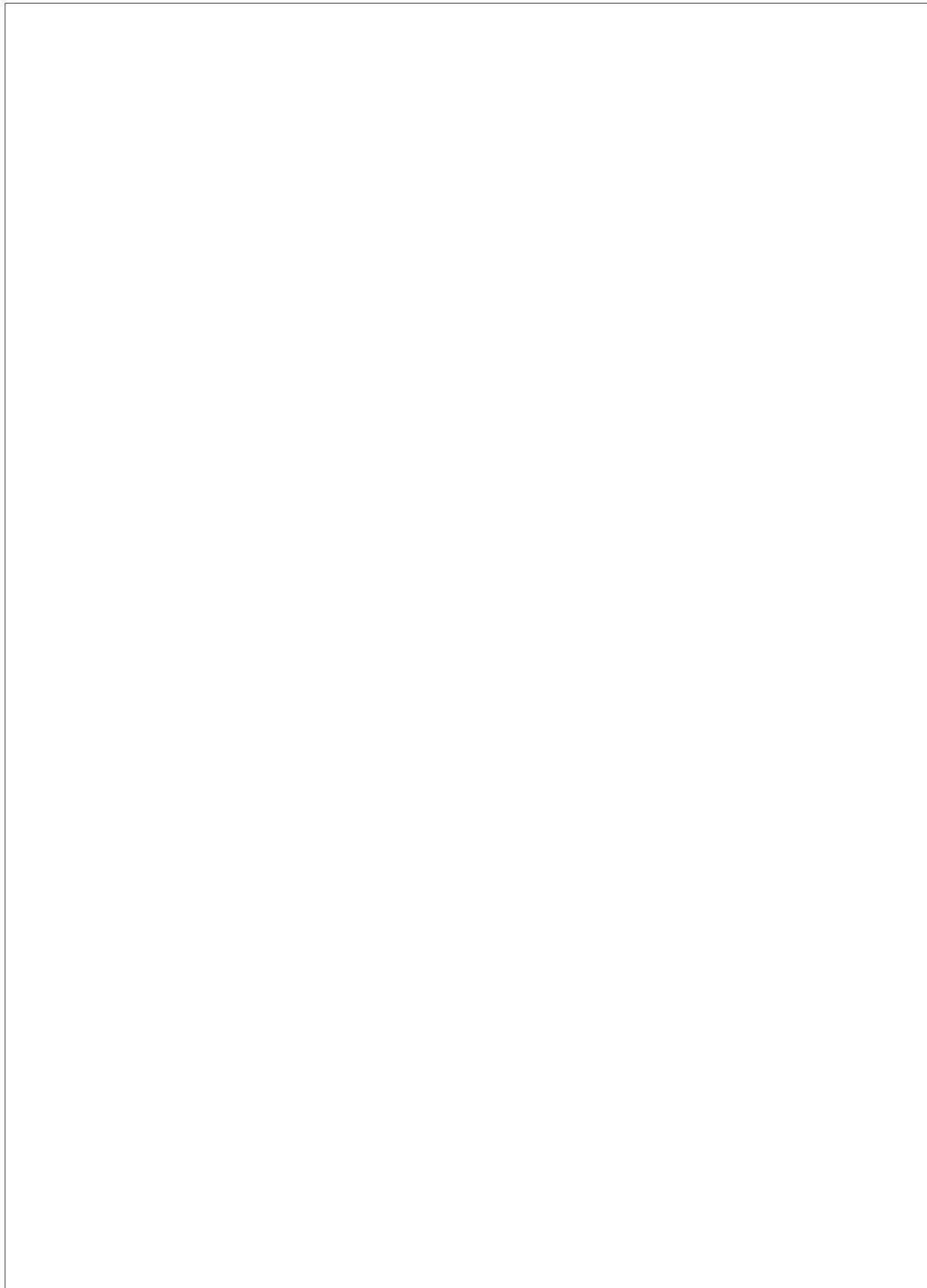
CENTRAL INTELLIGENCE BULLETIN



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*Laos: The rapidity of the advance of anti-government forces in the Plain des Jarres area northwest of Xieng Khouang town now makes it probable that there is a "sizeable aggression" from North Vietnam, according to a joint message from US missions in Laos. On the basis of fragmentary information, the message reports that the area is expected to fall no later than 1 January. [redacted]

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31 DECEMBER 1960

I. THE COMMUNIST BLOC

Khrushchev to visit several African countries in late January and early February. ①

Communist China--Natural calamities suffered in 1960 affecting entire economy. ②

East Germany and USSR renewal of trade agreements with Bonn. ③

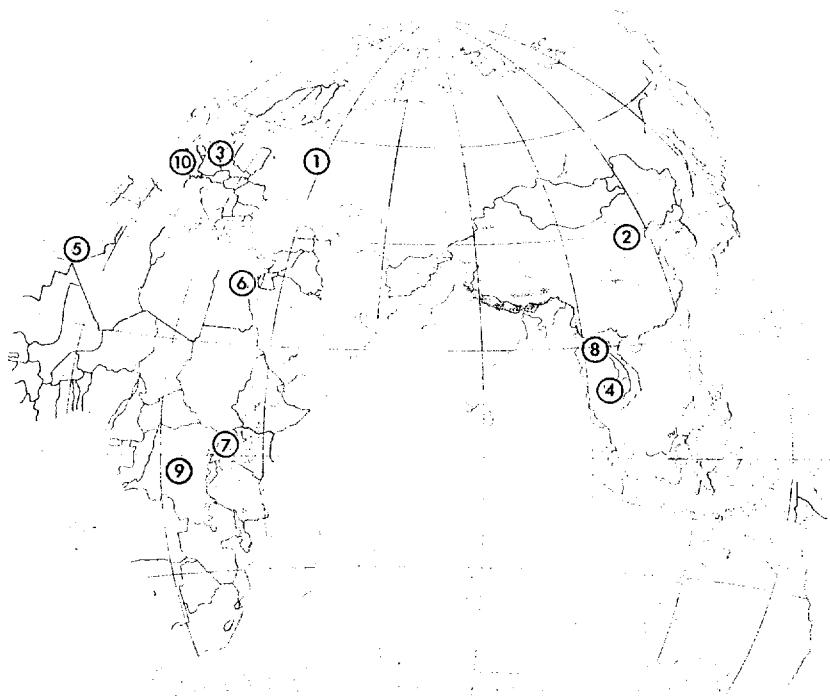
II. ASIA-AFRICA

Cambodian Prince Sihanouk obtains additional bloc economic aid and reiterates Cambodia's support for some Sino-Soviet foreign policy objectives. ④

African "summit" conference in Casablanca from 3 to 7 January may take on strongly anti-French complexion. ⑤

UAR--Nasir's resentment of Western policies toward Israel and Africa may lead him to abandon "positive neutralism." ⑥

Uganda--Violent outbreaks may occur soon as result of impasse between British Government and tribal rulers of Buganda Province. ⑦



⑧ The situation in Laos.

⑨ The situation in the Congo.

III. THE WEST

⑩ France to withdraw two infantry battalions from Germany to bolster security forces in Algeria during 6-8 January referendum.

⑪ Peru breaks diplomatic relations with Cuba.

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CENTRAL INTELLIGENCE BULLETIN

31 December 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR-Africa: Soviet Premier Khrushchev will visit Africa in late January and early February, according to the Indian ambassador in Moscow. Although the specific schedule and dates have not been fixed, Khrushchev has accepted invitations to the UAR, Guinea, Ghana, Liberia, and Ethiopia. The Soviet charge in Lome recently discussed with Prime Minister Olympio a visit by the Soviet premier to Togo in January as part of a West African tour. Khrushchev also appears to be angling for bids from Libya and Sudan, and may hope to include Morocco and Mali--which have recently expanded their ties with the Communist bloc--on his African itinerary.

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Communist China: Communist China's first announcements of 1960 economic achievements indicate a poor harvest year and probable underfulfillment of the plan in industry. Natural calamities are cited as affecting the entire economy. People's Daily reports that of the 150,000,000 acres affected by the "severest natural calamities in 100 years," more than one third sustained serious losses, with no harvest at all in some places. Light industry, which depends on agriculture for raw materials, will not reach planned goals this year. Peiping claims, however, that 1960 targets for steel, iron, coal, electric power, petroleum, machine tools, and tractors will be reached in spite of production and transport interruptions. There is considerable evidence that 1960 has been a poor agricultural year, but probably no worse than 1959, also a year of bad weather and disappointing yields. By overstressing the severity of natural calamities, the regime

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may be attempting to exonerate its policies from blame for the serious food shortages and also preparing the ground for a return to announcing realistic statistics--a practice abandoned during the "lean forward."

USSR - East Germany: The flexibility and initiative displayed by the Communist representatives which led to the conclusion of the negotiations on renewing Soviet and East German trade agreements with Bonn reflect Khrushchev's desire to avoid precipitating a crisis at this time which might jeopardize his efforts to establish a conciliatory atmosphere on the key issue of Berlin before making a formal demarche for a new summit meeting. A further important factor was the desire to ensure continued delivery to East Germany of much-needed industrial goods from West Germany. The bloc negotiators offered compromise formulas which permit both sides to save face but do not prejudice the fundamental Communist claim that East Berlin is controlled by the East Germans and that Bonn has no authority to negotiate for West Berlin.

no

II. ASIA-AFRICA

Cambodia - Communist Bloc: Prince Sihanouk strengthened Cambodia's commitment to some Sino-Soviet foreign policy objectives and obtained extensive economic aid during his recent tour of Communist countries. Peiping has agreed to supply new grants and technical assistance totaling nearly \$40,000,000. The Soviet Union is giving Cambodia a technological institute. In addition, the USSR and Czechoslovakia are extending credits for industrial development, hydroelectric dams, and geological surveys. In return, Sihanouk reiterated Cambodian support for Chinese Communist and Mongolian admission to the UN and negotiated a treaty of friendship and nonaggression with Communist China.

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Africa: The African "summit" conference in Casablanca from 3 to 7 January, originally planned to deal primarily with the Congo, may take on a strong anti-French complexion in view of African anger over the recent French atomic tests and a report that Algerian rebel premier Ferhat Abbas will be an active participant. Antoine Gizenga, leader of the Congo's Stanleyville "government," or his representative in Cairo may also attend. King Mohamed V, who personally called the conference and accordingly postponed his scheduled Asian trip, is reportedly chagrined because only Nasir, Nkrumah, Toure, and Keita of the some 14 Afro-Asian chiefs of state invited have accepted. Because of the lack of preparation for the conference and the divergent views of the participants, it will be difficult for them to agree on any significant practical action.

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UAR: Nasir has [redacted] repeated the suggestion made in his bitterly anti-Western speech of 23 December that his opposition to Western policies toward Israel and Africa may lead him to abandon "positive neutralism."

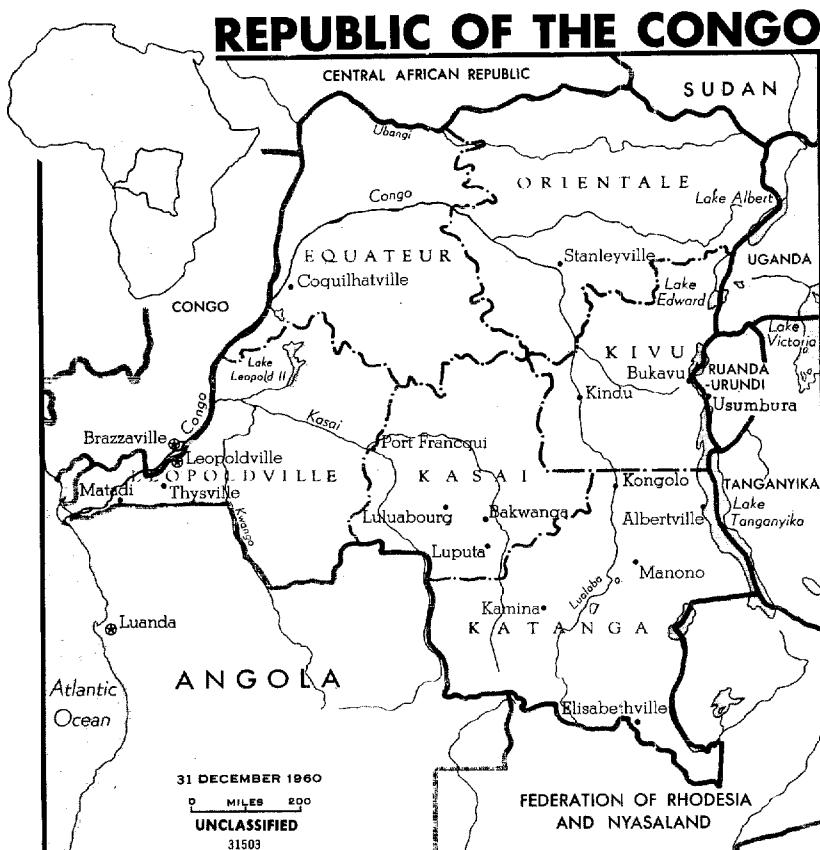
no

[redacted] Nasir restated the main points of the speech, adding that a benevolent attitude in Washington and London was not "indispensable" to the UAR. Nasir claimed to have information that the UK and US as well as France aided Israel to develop its military capability and alleged atomic potential, commenting that the USSR has agreed to furnish him additional arms, including MIG-19s.

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Uganda: [redacted] Violent outbreaks may occur within the next few days in Britain's Uganda protectorate as a result of the impasse between the British Government and the tribal rulers of Buganda Province. Most Buganda officials, concerned that the province's special privileges will be lost as Uganda moves toward independence as a unit, appear adamant in their intention to denounce the province's agreements with Britain and attempt to

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[S]ecede from the protectorate shortly. Britain refuses to admit the validity of the Buganda position and is moving African troop reinforcements into the province. The secession attempt has little chance of succeeding, and the Buganda King and his lieutenants have urged their followers to avoid violence. However, extremist-led demonstrations are a strong possibility.] [] (Page 5)

Laos: [The Boun Oum government appears to be shaping policies that could have severe adverse consequences both domestically and internationally. General Phoumi's faction, which favors a revolutionary overhaul of the government structure, seems to be overruling those who advocate parliamentary steps to formalize the government's status. Lao leaders, angered by what they consider to be an inimical attitude on France's part, are threatening to oust the French military training mission and close down the French base at Seno in south-central Laos. Meanwhile, Phoumi's troops advancing on the Kong Le-Pathet Lao position north of Vientiane are reported to have met increased resistance. The Laotian government has announced that it has intelligence reports that several North Vietnamese "battalions" have attacked a border town in northeast Laos but these reports remain unconfirmed.] [] (Page 6) *no*

Congo: Belgian Government officials have indicated that they will approve a request by President Kasavubu for permission to land troops in Ruanda-Urundi for operations against dissidents in Kivu Province, according to the American Embassy in Brussels. An attempt to move 200 Congo Army paratroops from Luluabourg to Bukavu--now controlled by Gizenga sympathizers--appears imminent; four DC-4 aircraft commandeered by Colonel Mobutu from the Congo's civil airline reportedly are to airlift the force to Usumbura. Ruanda-Urundi, about 70 miles from Bukavu, [] plans formulated by the Belgian Communists envisage the Gizenga dissidents' [] *no*

[gaining control of large areas of Kivu and Katanga provinces through coordinated guerrilla activity.] (See Map)

[President Kasavubu reportedly has agreed to meet with the UN Conciliation Commission--probably including Hammarskjold--in Leopoldville on 3 January. Most of the Congo's political leaders will probably not be in Leopoldville at this time, making it unlikely that the meeting will contribute significantly to a political solution in the Congo.]

III. THE WEST

France-Algeria: France has notified NATO that it is temporarily withdrawing two infantry battalions, numbering about 1,600 men, from its contingents in Germany in order to bolster security forces in Algeria during the 6-8 January referendum period. According to the official note announcing the withdrawal, the troops will be away from their regular stations from 31 December to about 15-20 January. Reports of riots planned by both Moslem and rightist groups in the first half of January have probably led Paris to adopt this means of strengthening security forces in the major cities of Algeria, thus avoiding further depletion of metropolitan police ranks or recall of additional army units from operational areas in Algeria.

*Peru-Cuba: [Peru has severed diplomatic relations with Cuba, it was announced in Lima yesterday. Peruvian President Prado on 28 December had authorized such a move within three days, provided some other Latin American government would take similar action shortly. The Peruvians have been urging the Colombian and Argentine governments to take the same step. Argentina and Cuba maintain regular diplomatic relations; Colombia and Cuba do not now exchange ambassadors, but there has been no formal break in relations.]

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31 Dec 60

DAILY BRIEF

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Cambodia Accepts Extensive Bloc Aid

Prince Sihanouk, who returned on 26 December from a tour of Communist countries, has strengthened Cambodia's commitments to some Sino-Soviet foreign policy objectives in return for extensive bloc economic aid. He reiterated Cambodia's support for Peiping's claims to UN membership and control over Taiwan and for Mongolia's admission to the United Nations; he concurred on major Soviet goals relating to disarmament, a summit conference at the United Nations, and even UN reorganization. He also signed a treaty of friendship and nonaggression with Communist China and joined Peiping in condemning the "acts of certain countries" designed to create tensions in Southeast Asia.

In return for these probloc statements, Sihanouk brought home extensive economic commitments. Peiping, whose economic aid to Cambodia had totaled \$28,000,000, pledged new grants for nearly \$40,000,000 to expand and complete Chinese aid projects now under way, to build a steel mill and machine plant, and to assist the reorganization of Cambodia's producer cooperatives. Also included in Peiping's aid was technical assistance for the Phnom Penh - Sihanoukville railway project. From the Soviet Union, Sihanouk obtained the pledge of a 12-passenger helicopter and a technological institute.

For the first time, Cambodia has accepted bloc credits repayable in Cambodian produce. The Soviet Union agreed to carry out a "deep geological survey"--presumably for oil--and studies and eventual construction of hydroelectric dams on the Kamchay and Mekong rivers. Czechoslovakia, on a similar basis, agreed to build an 18,000-ton sugar refinery, a tire factory, and a tractor assembly plant. Cambodia plans to launch joint shipping companies with both Communist China and Czechoslovakia. [redacted]

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African Leaders' Conference at Casablanca

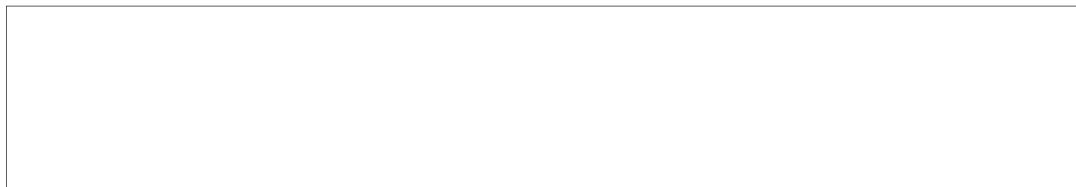
The African "summit" conference in Casablanca from 3 to 7 January may take on a strong anti-French complexion, in view of African anger over the recent French atomic tests and the report that Algerian rebel premier Ferhat Abbas will be an active participant, instead of merely an observer. None of the pro-French African states will be represented. The conference was originally planned to deal primarily with the problem of UN involvement in the Congo, and India, Ceylon, and Indonesia were accordingly invited. The American Embassy in Rabat says that either Antoine Gizenga, leader of the Congo's Stanleyville "government," or his representative in Cairo is expected to attend.

King Mohamed V called the conference on his personal initiative, and accordingly postponed his Asian trip until 10 January, apparently to the considerable annoyance of the government concerned. The King is reportedly much chagrined because--of some 14 Afro-Asian heads of state invited--only Nasir of the UAR, Nkrumah of Ghana, Touré of Guinea, and Keita of Mali have accepted. Touré will presumably remain for only two days, as he is scheduled to begin an official visit to Belgrade on 5 January. Libya, after considerable hesitation, is sending its foreign minister, and the Ceylonese ambassador in Cairo will attend. President Bourguiba of Tunisia probably avoided attending because of the strained relations between Morocco and Tunisia over the Mauritania issue. Premier Olympio of Togo is said to have declined because he feels that African states should support the UN in the Congo. Refusals from India and Nigeria have been particularly embarrassing. The American Embassy in Rabat feels that these developments have widened the rift between the King and the crown prince, who took over the actual arranging of the meeting.

A Moroccan official has said that the conference must end with "practical decisions for the future of the African continent."

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Because of the lack of preparation--the first invitations were apparently not issued until after mid-December--and the divergent interests of the participants, it will be difficult for them to agree on any significant action, although Nkrumah reportedly will propose the establishment of a joint African high command. However, a strong condemnation of France or an attack on the UN position in the Congo would be exploited by the Communist bloc. [redacted]



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[Redacted]

Nasir Threatens Abandonment of "Positive Neutralism"

[UAR President Nasir] [Redacted]

[Redacted] continued to display the strong anti-Western feeling which marked his Port Said speech on 23 December. Throughout the conversation, [Redacted]

[Redacted] Nasir revealed his "basic distrust" of the West and his particular concern with Western support for Israel.]

[As he had done at Port Said, Nasir suggested that his policy of "positive neutrality" was becoming difficult to maintain because of his conflict with the West over Israel and Africa. This attitude was reflected on the same day by Deputy Foreign Minister Sabri, who told the American ambassador that although Cairo wanted good relations with the US, such issues as Palestine, Algeria, and the Congo were serious obstacles.]

[Nasir told the Canadian envoy he had information proving that the US and UK had aided France in supplying arms to Israel and in developing Israel's reported atomic potential. He said the USSR had agreed to increase the UAR's supply of arms and would furnish MIG-19 aircraft, but mentioned no date. Moscow and Cairo have been negotiating over MIG-19s for nearly a year.]

[With regard to Western aid to the UAR, Nasir commented that while it was very "useful" to receive American wheat, for example, the UAR had done without it before and could again. He did not feel that a "benevolent attitude" on the part of London and Washington was indispensable to the UAR.] [Redacted]

[Redacted]

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[Redacted]

Tension Rising in Uganda

{Violent outbreaks may occur in the next few days in Britain's Uganda Protectorate as a result of the continuing impasse between the British Government and the tribal rulers of Buganda Province. Most Buganda officials, concerned that the province's special privileges will be lost under current British plans to move Uganda toward independence as a unit, appear determined to denounce its agreements with Britain and attempt to secede from the protectorate. Britain refuses to recognize Buganda's position and is moving a battalion of African troops into the province, reinforcing the battalion already there.]

{Relations between Buganda and Britain have been tense since last September, when negotiations between British officials and a delegation headed by the Buganda King broke down. Colonial Secretary Macleod, who maintains that the province's status cannot be changed unilaterally, has urged the Buganda officials to take part in the consultative process which is to culminate in the writing of a new Uganda constitution next summer. The King and his advisers, however, have refused to participate without a guarantee that the constitution will establish a federal structure. Buganda is boycotting the Uganda Legislative Council, and attempts to register the province's inhabitants for the elections early next year have been almost completely unsuccessful.]

{In the face of the British refusal to negotiate the secession question, the Buganda efforts to set up a separate state have little chance of success. The King and some of his advisers, apparently realizing the weakness of their position, have urged their followers to avoid violence. However, the idea of secession has taken hold of the popular imagination and is being exploited by Buganda extremists. Pro-independence sentiment thus is likely to run high, and extremist-led demonstrations are a strong possibility.]

[Redacted]

[Redacted]

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Situation in Laos

[The Boun Oum government appears to be shaping policies that could have severe adverse consequences, both domestically and internationally. General Phoumi's faction, which favors a sweeping overhaul of the entire government structure, seems to be overruling those who advocate parliamentary steps to legitimate the government's status. King Savang, however, [redacted] is interested in establishing the full legality of the present government in international eyes, and his counsel may yet prevail in Vientiane. Savang admitted that he was running into a great deal of difficulty, since the government leaders were a "revolutionary group."]

[The entire present leadership strongly resents the French, and there is growing talk of ousting the French military training mission and closing down the French base at Seno, near Savannakhet. Aside from its international political repercussions, such action would throw into question US support of the Lao armed forces. Such support is carried out in cooperation with the French, whose military presence in Laos is specifically authorized by the 1954 Geneva Agreement. Laotian officials have long been critical of what they consider France's inimical attitude, and they now are accusing the French of helping the Kong Le rebel forces prior to the recapture of Vientiane.]

[Phoumi's columns are continuing their slow advance on the Kong Le - Pathet Lao stronghold of Vang Vieng, some 70 miles north of Vientiane, but are meeting stiffer resistance. A government probe beyond the recently recaptured town of Phong Hong, about 30 miles south of Vang Vieng, was turned back by the heaviest enemy artillery barrage since the fighting in Vientiane. The terrain makes the Vang Vieng area easily defensible, and the continuing build-up of the Kong Le - Pathet Lao forces with bloc supplies makes it increasingly uncertain that the government's operation will be successful.]

All six of the Soviet AN-12 heavy transports which flew to North Vietnam from the USSR on 27 December have either

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returned or are scheduled to return. A seventh remains at Canton, apparently because of mechanical difficulty. None of those which have already returned to the USSR has been scheduled for a return trip to Communist China, but a Soviet IL-14 based at Bykovo is to pick up cargo at Kazan for Hanoi.

The airlift into Laos from North Vietnam continues through 30 December.

The North Vietnamese are apparently improving their installations in the Dien Bien Phu area, which is believed to be a logistical support base for the Pathet Lao. The airstrip is in excellent condition and there is extensive construction in the area,

a new airstrip about 20 miles southwest of Dien Bien Phu.

Vientiane announced on 31 December that it had intelligence reports that several "battalions" of North Vietnamese troops have attacked Nong Het in Xieng Khouang Province near the border with North Vietnam. Radio Hanoi has broadcast a denial of the reported invasion. An attack on Nong Het began on 29 December,

but the forces involved have not been identified as North Vietnamese. Other anti-government forces are reported moving in the direction of Ban Ban, also in Xieng Khouang Province, and the town of Xieng Khouang.

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[Redacted]

Perú Breaks Diplomatic Relations With Cuba

[Peru has broken diplomatic relations with Cuba, it was announced in Lima yesterday. Peruvian President Prado on 28 December had authorized Prime Minister Beltran to proceed with such a move within three days, provided that some other Latin American government would soon take similar action. Beltran felt that an editorial campaign in Lima newspapers and publication of correspondence recently seized in a raid on the Cuban Embassy in Lima would be sufficient to win strong popular backing in Peru for such a move. One letter from the Havana Foreign Ministry to the Cuban Ambassador in Lima reveals that Cuba has been siding with Ecuador in the recent flare-up of the highly emotional dispute over the Peruvian-Ecuadorean boundary. According to the letter, the Cuban Government also supports abrogation of other territorial settlements in the western hemisphere, going back as far as Mexico's cession of territory to the United States.]

[The Peruvian Government has been seeking Argentine and Colombian agreement to break relations with Cuba at this time. The Argentine Government may not want to lose its listening post in Havana, however--particularly since Argentine Ambassador Amoedo, a long-standing friend of Fidel Castro although strongly pro-US, has been particularly active there. Moreover, an Argentine spokesman recently stated that the embassy in Havana was important as a refuge for anti-Castro Cubans.]

[Colombia and Cuba do not now exchange ambassadors, but there has been no formal break in relations. Earlier this month Honduran Foreign Minister Alvarado Puerto proposed to the Colombian and Venezuelan Governments that the three jointly sever diplomatic relations with the Castro regime. On 28 December--possibly prior to the Peruvian demarche for a Colombian break with Cuba--the Colombian Foreign Ministry announced that its former ambassador to Havana would not return to Cuba but that a lower-ranking Foreign Ministry official was to be sent there.]

[The Honduran President, concerned over a strong pro-Castro faction within his own Liberal party, would be reluctant to]

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break with Cuba unless in so doing he associated himself with other democratic Latin American governments with high prestige in Honduras, such as Venezuela and Colombia. The Peruvian Government is generally regarded as more conservative than those of Venezuela, Colombia, or Honduras.

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The Deputy Under Secretary of State for Political Affairs

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Chief of Naval Operations, United States Navy

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Commandant, United States Marine Corps

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The Director

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The Director

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