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20 May 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

20 May 1960

DAILY BRIEF

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Soviet-Japanese Fishing Agreement: The Soviet Union and Japan on 17 May concluded their 1960 fishing agreement, which reduces Japan's salmon catch quota by 30 percent and establishes new zones where fishing operations will be banned altogether. Japanese fisheries interests have announced their

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extreme dissatisfaction with the agreement and called for government compensation of fishermen who thus will lose their traditional fishing grounds. On the same day that agreement was reached, Moscow accused the Japanese of violating the 1959 fishing convention, suggesting that the USSR intends to increase pressure on the Kishi government.

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II. ASIA-AFRICA

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012
Indonesia - Communist China: Indonesia has asked Communist China to withdraw its consuls from the cities of Medan in Sumatra and Bandjermasin in Borneo as the result of renewed tension over the repatriation of Overseas Chinese. Djakarta's action brings Sino-Indonesian relations to a new low.

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012
Cambodia: Prince Sihanouk, increasingly angry over South Vietnamese and Thai hostility toward his neutralist regime, has called for a referendum on 5 June to prove to the "world in general and our imperialist neighbors in particular" that he has solid popular support. Sihanouk's announcement that foreign observers and "particularly journalists" will be invited as witnesses indicates he is planning a full-blown propaganda show.

20 May 60

DAILY BRIEF

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Sihanouk recently charged that US military aid makes possible the "aggressive designs" of South Vietnam and Thailand, and hinted that Cambodia could get additional arms from the Sino-Soviet bloc.

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OK

South Korea: [Minister of Defense Lt. Gen. Yi Chong-chan says a study of the South Korean military structure is under way. The probability that any reorganization would be designed to preclude military involvement in politics is indicated by Yi's hints that any particular organizations involved in political activities would be abolished or revamped. Yi's refusal to indicate any plans to punish commanders involved in the rigging of the 15 March election suggests he wishes to avoid widespread resignations that would weaken the Korean defense posture.]

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N O

Belgian Congo: Patrice Lumumba, leader of the influential National Congo Movement, is threatening a forceful reaction to Belgium's plans to add 1,000 regulars to the 2,000 army troops and some 24,000 men of the paramilitary Force Publique in the Belgian Congo. In Stanleyville, where recent anti-European demonstrations are believed to have been instigated by his followers Lumumba warned on 18 May that "we will take to the streets to demand the withdrawal of Belgian troops... and the immediate transfer of power" to an African provisional government.

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N O
Guinea: Sekou Touré apparently has assigned a high priority to early implementation of the large-scale Konkouré hydroelectric dam project, which France had agreed to underwrite before Guinea opted for independence in 1958. Touré has followed up a recent public appeal for foreign aid with private approaches to US officials in Conakry and Washington. He told the American ambassador in Conakry last week that the USSR, Czechoslovakia, East Germany, and three Western companies already had expressed an interest in the project, but that Guinea had not yet entered any "engagements." [redacted]

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III. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

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Sino-Indian Relations. NIE 100-2-60. 17 May 60. [redacted]

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Soviet Capabilities and Intentions re Introduction of Weapons of Mass Destruction into US. NIE 11-7-60. 17 May 60. [redacted]

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Soviet-Japanese Fishery Agreement

After three months of negotiations, the Soviet Union and Japan on 17 May concluded their 1960 fishing agreement. The accord limits the Japanese to a total salmon catch of 67,500 tons--a 30-percent reduction compared with 1959--and enlarges the prohibited zone in an area considered by them vitally important to the success of smaller fishing operations. Since 1957, when the quota was set at 120,000 tons, the figure has been steadily reduced. Japanese fisheries interests have announced their extreme dissatisfaction with the agreement and called for government compensation for fishermen who will thus lose their traditional fishing grounds.

[Although the Japanese ambassador to Moscow had earlier reported that the fisheries negotiations were more difficult than ever before, the Japanese were struck by Khrushchev's obvious attempt to avoid provocative statements in a talk they had with him on 10 May. Khrushchev, according to Vice Foreign Minister Yamada, did bring up the subject of US bases in Japan. The Soviet leader also said that it would be impossible to conclude a civil aviation pact with the Japanese allowing them to fly into Moscow, as "he knew the Japanese had four or five U-2 planes and might want to take photographs!"]

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These and similar pressures were brought on the Japanese delegation in order to obtain maximum concessions. The necessity of reaching an agreement in time for the start of the fishing season, however, normally about 15 May, was probably the decisive factor in the Japanese decision to conclude the agreement.

On the same day the agreement was reached, Moscow accused the Japanese Government of violating the fishing convention of 1959. The commentary claimed that this action shows the failure of Japanese Government agencies to honor its international commitments. The timing of this propaganda attack suggests that the USSR, in the wake of the collapse of the summit talks, intends to increase pressure on the Kishi government.

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II. ASIA-AFRICA

Indonesia Requests Withdrawal of Two Chinese Consuls

Indonesia has asked Communist China to withdraw its consuls from the cities of Medan in Sumatra and Bandjermasin in Borneo. It is not clear, however, whether all other members of the two consulates will be withdrawn. Djakarta's action is the most drastic yet taken in the prolonged Sino-Indonesian friction over the Overseas Chinese problem.

At the same time, Indonesia also rejected a Chinese protest over the recent house arrest of the consul in Bandjermasin and filed a counterprotest against the activities of Chinese officials in Indonesia. Djakarta complained that Chinese officials have behaved in "an improper and unfriendly manner" toward Indonesian functionaries and that the Chinese Embassy in Djakarta has issued anti-Indonesian statements to both the foreign and domestic press.

Incidents in Sumatra and Borneo, which led to Indonesia's action, developed when the local Chinese consuls apparently influenced repatriating Chinese to resist Indonesia's involved emigration procedures. Approximately 14,000 Chinese have left Indonesia as the result of Djakarta's ban on alien retail trade in rural areas.

This reactivation of a major foreign policy dispute may to some extent divert official and public attention in Indonesia from recently revived anti-Dutch issues which the Indonesian Communist party is exploiting. The Indonesian Communists have attempted to avoid involvement in the Chinese problem.

Sihanouk Calls for Referendum to Clarify Cambodian Situation

Cambodian leader Sihanouk has called for a referendum on 5 June to disprove to the world the propaganda charges by "traitors and their imperialist masters" that his neutralist policy is opposed by the masses. Prince Sihanouk charges that this propaganda provides a pretext for interference or intervention in Cambodian affairs and poses a grave danger to the nation.

Sihanouk--who resigned from the premiership last month but still runs the country with solid popular backing--recently has become increasingly agitated over South Vietnamese and Thai hostility toward his regime. South Vietnam's recent claim to several islands in the Gulf of Siam considered Cambodian territory by Phnom Penh apparently forms the basis of Sihanouk's accusations, but there are other factors. These include persistent reports of South Vietnamese and Thai support of dissident Cambodian bands, the recent reactivation of a clandestine anti-Sihanouk radio, and large-scale incidents along the Cambodian - South Vietnamese border in recent months.

Sihanouk last October proposed a referendum to choose between his leadership and that of dissident leaders Sam Sary and Son Ngoc Thanh, but no date was ever set and the project was quietly shelved. His intention this time seems firmer, and the announcement that foreign observers and "particularly journalists" are to be invited suggests a full-scale propaganda effort.

In a recent editorial, Sihanouk pointed a finger at "increased" American military aid to South Vietnam and Thailand as making possible their "aggressive designs." Asserting that Cambodia must act quickly to defend itself against an "imperialist encirclement," he stated that Cambodia has some "big friends" who will supply arms--now provided solely by the United States. Sihanouk previously has hinted that he could get military aid for the asking from Communist China, and he apparently looks on Chou En-lai's statements of support for Cambodia, made during Chou's visit earlier this month, as a guarantee of Cambodian national integrity.

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South Korean Armed Forces May Be Reorganized

[New South Korean Defense Minister Lt. Gen. Yi Chong-chan appears to be moving to preclude the involvement of the military in domestic political affairs. Unit commanders, under instruction from the Rhee administration, had delivered the military vote to Rhee and his running mate in the 15 March presidential elections. Also under Rhee, military counter-intelligence and security units had been diverted from normal missions, including countersubversion, for use against non-Communist political opponents of the administration.]

[Yi stated publicly on 17 May that a study of the over-all organization of the military is under way and implied that those units primarily concerned with political activities would be abolished or revamped. The Joint Provost Marshal General Command--headed by Lt. Gen. Won Yong-tok, a Rhee hatchet man--reportedly is one of those slated to be dropped. It has been decided that units of the Army Counter Intelligence Corps, which under Rhee was semiautonomous, will be subordinate to the various unit commands in order to end the organization's political activities.]

[Yi's refusal to indicate any plans to punish commanders involved in the rigging of the 15 March elections suggests he wishes to avoid widespread resignations that would weaken South Korean defensive capabilities. He also may feel that a purge at this time would dissipate the prestige gained by the military's handling of the postelection disorders that toppled Rhee from power. Yi had previously been quoted in the press as stating that all commanders proven to have been involved in the election rigging and the diversion of military funds for political purposes would be punished.]

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Guinea Intensifying Effort to Implement Konkouré
Hydroelectric Project

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[The Guinean Government apparently has assigned a high priority to early implementation of the large-scale Konkouré hydroelectric project, which has been in abeyance since Guinea opted for independence from France in September 1958. That action had prompted Paris to drop plans to participate directly in the project's financing and also to underwrite a \$60,000,000 loan expected from the World Bank. As envisaged in 1958, the scheme called for the construction on the Konkouré River of a dam and power plant capable of furnishing up to 3.2 billion kilowatt-hours of cheap electricity a year. The energy was intended for an aluminum smelter which private interests were prepared to build, as well as for other industrial projects.]

[Early last month President Touré, speaking at an economic conference convened to consider the Three-Year Plan which Guinea intends to launch on 1 July, made a public appeal for foreign help in constructing the dam. Subsequently, American officials in Conakry and Washington received several private approaches which dwelt on Guinea's need for electric power and, in effect, inquired as to the possibility of obtaining US assistance.]

[On one such occasion last week Touré, in response to a question raised by the American ambassador, indicated that Guinea already had received "offers" from the USSR, Czechoslovakia, East Germany, and three Western companies, but that it had not yet entered into any "engagements." The Guinean leader claimed that the USSR had asked either for the existing dossier on the project or for permission to send technicians to draw up new plans. He said the Czechs and East Germans jointly had offered to form a "mixed" construction company or to extend a loan.]

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