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27 September 1960

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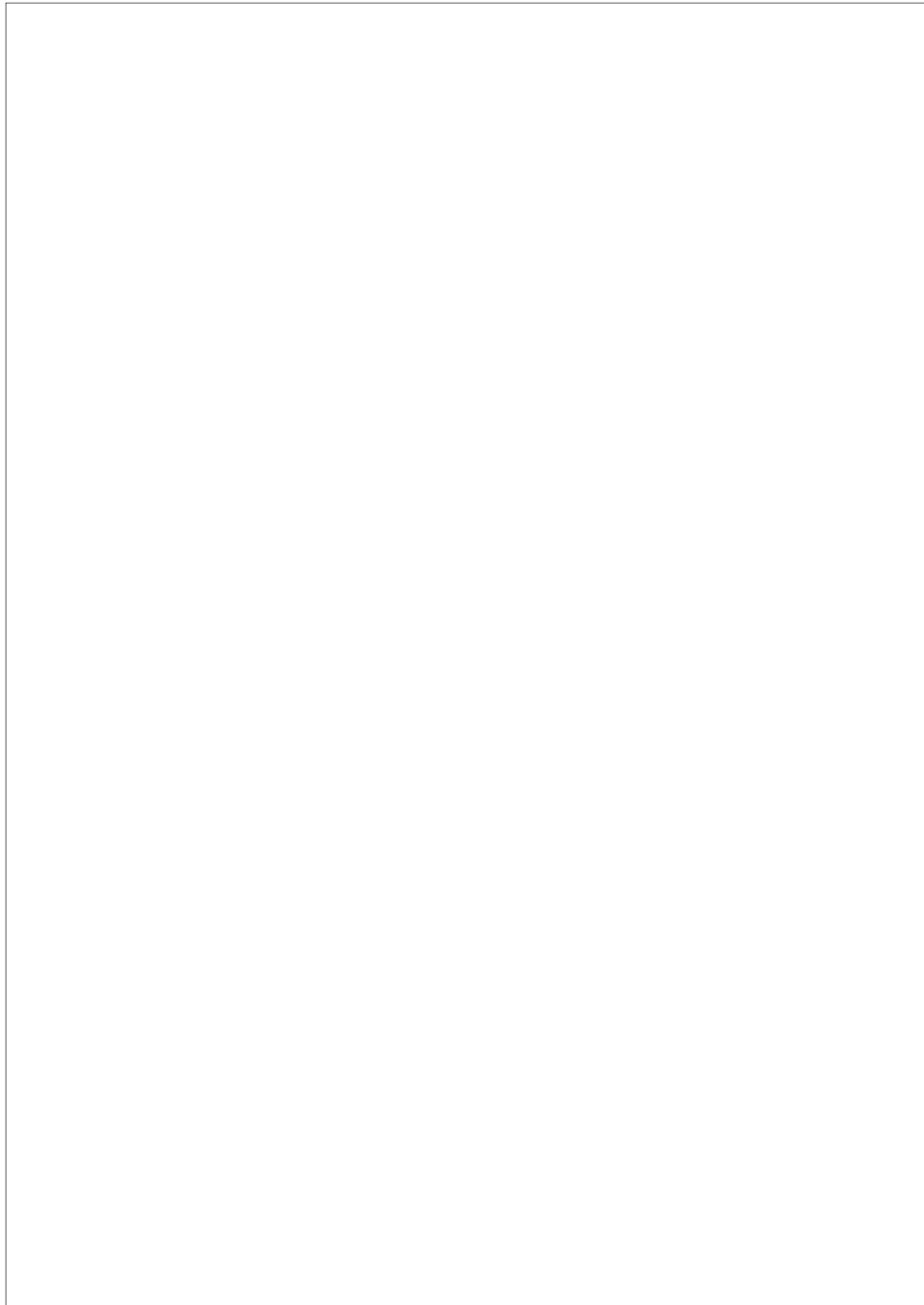
CENTRAL INTELLIGENCE BULLETIN



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27 SEPTEMBER 1960

I. THE COMMUNIST BLOC

Indonesia to obtain additional long-term
military aid from bloc.

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II. ASIA-AFRICA

Congo--Lumumba supporters renew
strong-arm activity.

②

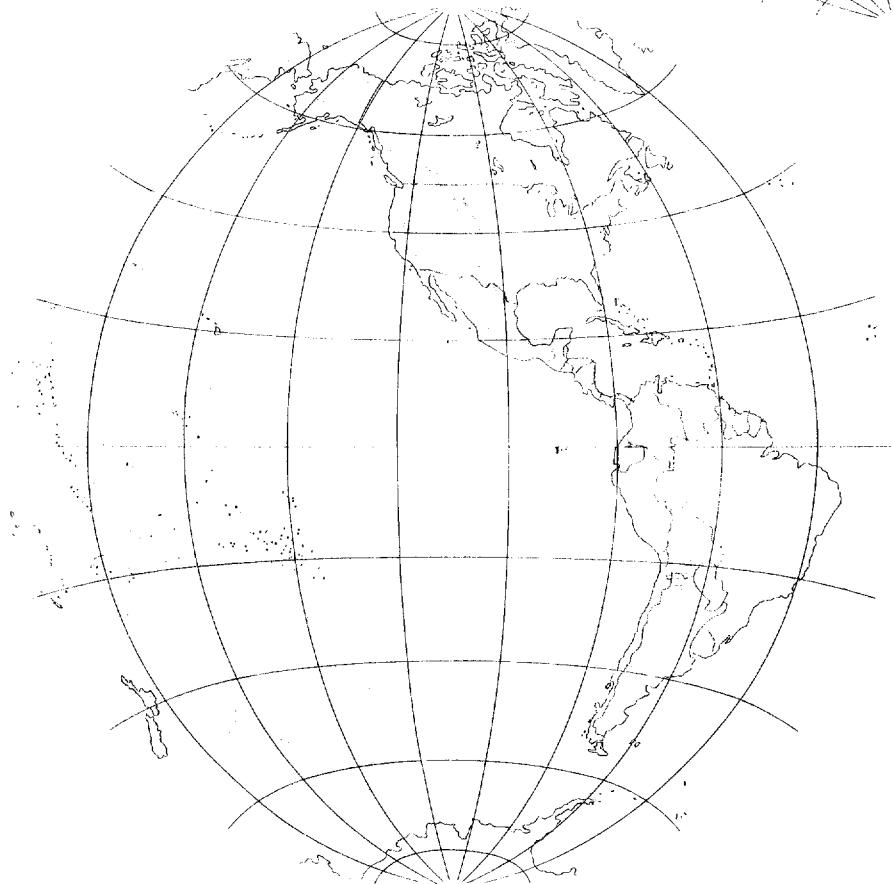
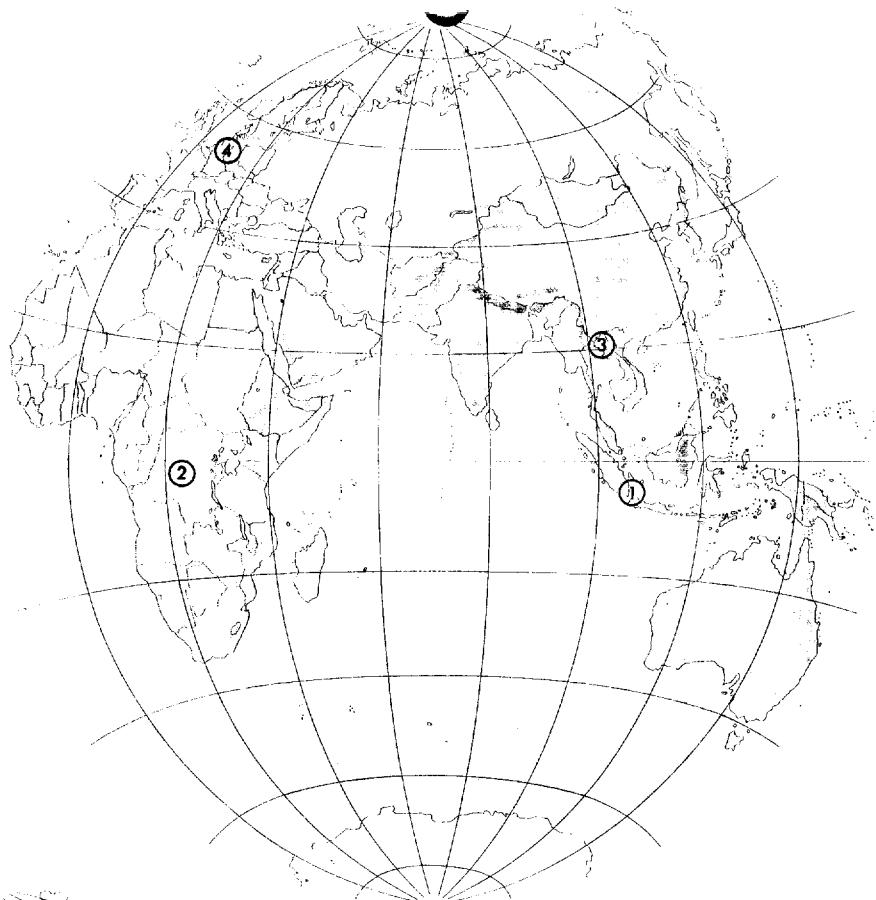
Laos--Phoumi expresses some willingness
to go to Luang Prabang.

③

III. THE WEST

Bonn begins countermeasures to East
German harassment of Berlin.

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CENTRAL INTELLIGENCE BULLETIN

27 September 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR-Indonesia: [Additional bloc military aid apparently will be supplied to Indonesia. Following his return to Djakarta, from his recent visit to the Soviet Union and Poland, Indonesian Navy chief of staff Rear Admiral Martadinata stated he had concluded a ten-year \$200,000,000 agreement for aid to the Indonesian Navy under which the USSR will provide a variety of warships, amphibious warfare equipment, and assistance for developing ports and harbors. In addition, Martadinata, who had been authorized to negotiate for both naval and air force equipment, reportedly concluded a \$100,000,000 five-year pact for the purchase of two squadrons of MIG-21 fighters, one squadron of medium jet bombers, and other air force materiel. However, it is not likely that Indonesia will soon receive MIG-21s or medium jet bombers, inasmuch as such aircraft have not yet been delivered to countries within the Soviet bloc.]

(Page 1)

II. ASIA-AFRICA

*Republic of the Congo: Renewed strong-arm activity in Leopoldville by followers of deposed Premier Lumumba may presage a showdown between Lumumba and army chief Joseph Mobutu. Prior to 26 September, Mobutu had not made a major issue of the immunity from arrest accorded Lumumba by the UN Command. The assault on two Congo officials by Lumumba supporters, however, following a speechmaking tour of Leopoldville by Lumumba escorted by Ghanaian UN troops, prompted Mobutu to deliver a three-hour protest to senior UN officials

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and to renew his demand that Ghanaian and Guinean troops be withdrawn from the Congo.

Lumumba has agreed with the UAR ambassador that his tactic should be to "exert pressure" on Mobutu politically and militarily without letup.

(Page 3)

***Laos:** General Phoumi on 26 September finally expressed some willingness to attend a meeting of military commanders in Luang Prabang called by King Savang to work out a solution to the political crisis. On the same date, the King issued a decree dismissing Phoumi from the Souvanna cabinet. Although this could be merely a procedural matter, formalizing the cabinet's decision ten days ago to oust him, Phoumi could choose to interpret it as an affront that precludes any such meeting. Phoumi has informed Premier Sarit of Thailand that he would like to see Prince Boun Oum head any new Laotian cabinet, with Phoumi's followers dominating the military establishment, but this is probably a maximum negotiating position. Premier Souvanna Phouma, meanwhile, has made the first move toward opening diplomatic relations with the USSR. The Laotian ambassador in Phnom Penh proposed to the Soviet ambassador there on 25 September that he be accredited to Vientiane.

III. THE WEST

West Germany: In reaction to East German harassment of Berlin, Bonn now has initiated a few limited countermeasures, including refusal of new permits for deliveries to East Germany. Bonn is also preparing contingent embargo lists of such commodities as rolled steel and tools, and now tends to believe that such restrictions would have more than marginal importance to the East German economy. Ambassador Dowling regards these West German moves as significant and indicative of Bonn's willingness to take further action.

(Page 4)

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New Soviet Military Assistance for Indonesia

Large-scale military aid agreements between the Soviet bloc and Indonesia have been tentatively reached as a result of a recent visit to the Soviet Union and Poland by the Indonesian Navy chief of staff, Rear Admiral Martadinata. Martadinata, following his return to Djakarta on 19 September, reportedly said he had concluded a \$200,000,000 agreement for long-term Soviet aid to the Indonesian Navy which would include a cruiser and other warships for a "two-armada" navy; an "armada" of motor torpedo boats; 60 medium tanks for the Indonesian marines; and assistance for the development of port and harbor facilities.

In addition, Martadinata reportedly concluded a \$100,000,-000 pact for the purchase of two squadrons of advanced MIG fighters, one squadron of medium jet bombers, and other air force materiel. This presumably is the result of a request presented to senior Soviet military officials during First Minister Djuanda's visit to Moscow last July. Khrushchev did not give final approval at that time but assured Djuanda that additional Soviet arms and equipment could be supplied.

Djakarta is not likely soon to receive MIG-19s, MIG-21s, or TU-16 bombers mentioned in the September and earlier reports. Moscow only recently agreed to provide MIG-19s to Iraq and the UAR, and it may eventually be willing to do the same for Indonesia, but deliveries would probably not be made until at least 1961.

Soviet-Indonesian negotiations for additional military aid have been almost continuous since Khrushchev's visit to Indonesia in February 1960, when he offered to provide additional naval vessels. The new agreements apparently include submarines, subchasers, and auxiliary vessels, as well as the

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[cruiser and torpedo boats--all of which have been discussed since Khrushchev's visit.]

Indonesia has already received some \$225,000,000 worth of military aid from the Sino-Soviet bloc, including submarines, destroyers, jet fighters and bombers, and land armaments. Most of this materiel was supplied on contracts with Poland and Czechoslovakia, although much of it was shipped directly from the Soviet Union. The new agreements now taking shape, however, would be the first large-scale military aid arranged directly with the USSR.

[] Poland may also participate in supplying new military assistance to Indonesia, perhaps in a three-way deal with Moscow similar to earlier bloc-Indonesian military aid agreements. []

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The Situation in the Congo

Renewed strong-arm activity in Leopoldville by followers of Patrice Lumumba may presage a showdown between the deposed premier and army chief Joseph Mobutu. On 26 September, supporters of Lumumba, estimated at between 100 and 200, demonstrated for his return to office and attacked two Congo officials. The outbreak followed an incident on the previous day in which Lumumba, protected by Ghanaian troops, was allowed to leave his residence and make a speechmaking tour of the city.

Mobutu, who hitherto had not seriously challenged the immunity from arrest accorded Lumumba by UN representative Rajeshwar Dayal, did protest strongly during a three-hour conference with Dayal on 26 September. Mobutu probably regards it as imperative that Lumumba's resurgence be speedily checked, and that the release of two of Lumumba's lieutenants on 24 September at the UN's behest not be interpreted as a sign of weakness.

Mobutu's demand that Ghanaian and Guinean troops be withdrawn from the Congo underscores their present role, along with the UAR, as a source of physical and moral support for Lumumba.

Cairo's ambassador has advised Lumumba to give Mobutu no rest and to "exert pressure on him politically and militarily."

One of two Congo ministers assaulted on 26 September has characterized any reconciliation now between Mobutu and the Lumumba forces as "unthinkable," and charged that Lumumba's followers had planned to seize all of the acting ministers and "put them out of action."

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Bonn Moves to Combat East German Pressures on Berlin

In reaction to East German harassment of Berlin, West Germany has initiated a few limited countermeasures, including refusal to issue new permits for deliveries to East Germany, withholding implementation of the August 1961 interzonal trade agreement, and denying permission for West German firms to participate in next spring's Leipzig Fair. Although deliveries on existing permits are continuing, West German officials estimate the refusal to expand shipments will soon disturb the East German planning mechanism.

For some years past, the West German Government has shown reluctance to combat East German pressures with sweeping restrictions on interzonal trade and, as recently as early September, opposed interrupting shipments to East Germany on grounds that the East Germans might respond by harassing West Berlin's supply lines to the Federal Republic. In 1959, Bonn shipped more than \$1.5 billion worth of goods to West Berlin; West German interzonal shipments amounted to only \$256,800,000 last year.

Bonn now tends to believe that restrictions on certain commodities such as tools and rolled steel would have more than marginal importance for the East German economy, and is preparing contingent embargo lists of such goods. US Ambassador Dowling regards these West German measures as significant and indicative of Bonn's willingness to take further action.

Neues Deutschland, the East German official party organ, is seeking to play on fears of West German businessmen that French and British industry would profit from an embargo on steel shipments. On 22 September, moreover, the paper declared that any move of this character would fail because it is "contrary to the economic interests of the two German states" and because it will be repulsed by the bloc's economic strength.

The Western Allies' retaliatory measure of suspending issuance of temporary travel documents to East Germans desiring

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to visit Western countries was given support on 20 September by the tentative decision of the Benelux governments to withhold visas from East Germans lacking such documents. The Netherlands also suspended short-stay permits for East Germans, including those in transit who wish to seek visas from other missions in The Hague for travel beyond the Netherlands.

[The chiefs of the East German trade missions in Amsterdam and Brussels are reported to be pessimistic about the possibility of maintaining trade missions in the West if the Allies enforce these restrictions on East German travel.]

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Executive Secretary, National Security Council

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