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28 November 1960

Copy No. C Ed-8

# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 24  
NO CHANGE IN CLASS.   
 DECLASSIFIED  
CLASS. CHANGED TO: TS S B  
NEXT REVIEW DATE: 2010  
AUTH: HR 70-2  
DATE: 10 JUN 1980 REVIEWER:

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28 NOVEMBER 1960

**I. THE COMMUNIST BLOC**

Hungarian regime determined to complete agricultural collectivization this winter. ①

Chinese Communist good-will mission to Burma next January to include several high officials; visit apparently aimed at demonstrating China's peaceful intentions in Asia. ②

**II. ASIA-AFRICA**

The situation in Laos. ③

The Congo--Supporters of Iléo secure Katangan President Tshombé's agreement for conference next month on future of Congo; entire Ghanaian diplomatic staff ordered withdrawn from Congo. ④

**III. THE WEST**

West German interzonal trade negotiator resigns because of sharp differences with Bonn. ⑤



⑥ Ecuadorean officials fear "slippage toward Castro" if "guarantor powers" of Rio Protocol reaffirm validity of treaty settlement in Peru's favor in Ecuadorean-Peruvian border dispute.

⑦ Venezuela-leftist opposition party stirs three days of rioting in Caracas; security forces take firm measures.

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**CENTRAL INTELLIGENCE BULLETIN**

28 November 1960

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

Hungary: Party-wide meetings have been conducted in Hungary to plan the drive for completing agricultural collectivization following the 28-29 October plenum of the Hungarian party's central committee, which ordered the amalgamation of existing cooperative farms and called for the collectivization of the 23 percent of the country's arable land still under private control. Local press reports indicate shortfalls in the harvest and a failure to coordinate fall sowing--both reflections of mounting organization and supply problems, a lack of effective rural party cadres, and passive resistance on the part of the peasants. [redacted] (Page 1) *ok*

Communist China - Burma: Peiping is planning to make the good-will visit of Chinese Premier Chou En-lai to Rangoon in January an unparalleled demonstration of its "peaceful" intentions in Asia. [redacted] *No*

[redacted] Peiping wishes to include Foreign Minister Chen Yi, Army Chief of Staff Lo Jui-ching, and several other high officials among a total of 420 people to be sent. The Chinese will attend Burma's independence day celebrations on 4 January and exchange ratifications of the Sino-Burmese border treaty. Chou may take advantage of the trip to visit other countries in the area. [redacted]

**II. ASIA-AFRICA**

[redacted] Laos: King Savang has refused to act on Souvanna Phouma's proposal that the principal representatives in the Laotian crisis from Vientiane, Savannakhet, and the Pathet Lao meet in [redacted] *ok* *delete fast* *see P 2*

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*P 5*

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[Luang Prabang under the King's aegis to form a broad national union government. While he distrusts Souvanna Phouma and is intriguing against him, the King remains unwilling to risk decisive action and continues to wait for a military solution.

The movement of Vientiane and Pathet Lao forces northward toward Luang Prabang from Muong Kassy apparently continues, and Vientiane reportedly plans an attack on the royal capital on 5 December. There is an unconfirmed report that Pathet Lao units may be advancing on Luang Prabang from Sam Neua Province to support Vientiane's move. [ ]

(Page 3)

Republic of the Congo: Three emissaries of the proposed Ileo government, in an effort to exploit the advantage gained by Kasavubu at the UN, have reportedly secured Katangan President Tshombe's agreement to hold a round-table conference next month on the future of the Congo. However, Tshombe and his associates remain suspicious of all Leopoldville figures; Tshombe's preconditions for Katanga's reintegration with the rest of the country are likely to be excessive. [ ] No

[The 350-man Ghanaian police contingent, which was involved in last week's battle with Congolese troops, is returning to Accra. [ ]

President Nkrumah has also ordered the "temporary" withdrawal of the entire Ghanaian diplomatic staff. [ ]

(Page 5)

### III. THE WEST

West Germany: West German interzonal trade representative Kurt Leopold has submitted his resignation to Chancellor Adenauer as a result of sharp differences of opinion with Bonn over the forthcoming negotiations for the renewal of the abrogated trade agreement with East Germany. Leopold feels that [ ] changes

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his negotiating position has been compromised by official disclosures to the press of Bonn's eagerness to resume the trade talks, and he attributes the uncooperative attitude recently taken by the East Germans on trade matters to these revelations. Leopold may also be annoyed by the presence in West Berlin last week of officials of the West German Economics Ministry who reportedly made informal contacts with their East German counterparts, and he foresees that the negotiations will be handled by the Economics Ministry at a higher level than his Trusteeship Office. A committee of the Bonn cabinet has advised Adenauer that the time now has definitely come to start negotiations immediately.

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Ecuador: [Top Ecuadorean officials have asserted their fear of a "slippage toward Castro" and of strong anti-US reactions favoring pro-Castro elements in the event of a strong declaration by the "guarantor powers" reaffirming the Rio-Protocol of 1942. The treaty provides for the definitive settlement in Peru's favor in its long-standing boundary dispute with Ecuador. The "guarantor powers" are the US, Argentina, Brazil, and Chile. President Velasco, who has stated frequently since last September that the protocol was null and void, is reported to have threatened alignment with Cuba in an effort to win backing for his position in the OAS; Foreign Minister Chiriboga has implied Ecuador could win Cuban-Soviet bloc support for its case in the UN.]

*No*

[Ecuador has already solicited and received the "sympathy" of Cuba for its attitude toward the treaty, which Peru seeks to enforce to the letter.]

Peruvian Prime Minister Beltran told the US chargé in Lima on 10 November that if the US qualified its support of the protocol he would be brought to the verge of resignation.

(Page 7) (Map)

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\*Venezuela: The three days of rioting in Caracas, which continued late on 27 November, were touched off by an illegal strike of Caracas telephone workers on 25 November. The strike itself was reportedly settled less than 24 hours after it began but students and other pro-Castro opposition elements joined the agitation of the strikers and continued rioting, possibly with the organizational assistance of a dangerous Cuban student agitator who had been scheduled to arrive in Caracas on 22 November. The union of telephone workers is reportedly controlled by the Democratic Republican Union (URD) the leftist pro-Castro party which withdrew from the three-party coalition government on 17 November and was omitted from President Betancourt's reorganized cabinet on 21 November. The URD has been demanding a leftist reorientation of the Betancourt regime, and may be expected to continue agitation against the government. The army and the government security forces, however, appear to be actively supporting the regime and no widespread turmoil has been reported outside the capital. OK

## Hungarian Regime Drives to Complete Agricultural Collectivization

The Kadar regime recently announced a decision of 28-29 October to complete agricultural collectivization this winter, despite the poor situation in the countryside as revealed by recent Hungarian government and press comment. The party daily Nepszabadsag reported that the fall sowing of grain was 10 percent less than in 1959, and that 35 percent of the corn and 22 percent of the sugar beet crops had not been harvested, despite the use of army and police troops in the fields. A week earlier, Minister of Agriculture Pal Losonczi expressed concern over delays in fall field work and implied that farm managers and local government units were failing to make use of agricultural machinery made available to them in the past two years. The effects of such shortcomings, coupled with reports of widespread illegal slaughter of livestock by the peasants, will necessitate increased imports and retard the achievement of economic plans.

The failure to complete the sowing of winter grains and to coordinate field work reflects mounting organizational and supply problems and the passive resistance of the peasants--developments which are largely an outgrowth of the collectivization campaign of the past two winters. Similar delays last year are considered the chief reason for the reported 8- to 10-percent decline in 1959 grain production, despite increased acreage sown to grain.

The Kadar leadership has achieved a nominal collectivization of 77 percent of the arable land by major drives in 1958 and 1959 but has still been unable to recruit effective rural party leadership. While roughly four fifths of the farms had party organizations in February of this year, they were mainly composed of farm managers, administrative personnel, and professional agronomists "on loan" to the cooperatives, and they neither stimulated peasant interest nor stemmed the flight of peasant youths to the cities. The regime has also

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resorted to stopgap measures to strengthen rural party work by utilizing officials of the Patriotic Peoples' Front (PPF), the Communist youth organization (KISZ), and the trade unions. During the past summer, 300 full-time functionaries from the party headquarters and the Budapest municipal party organization were sent on two-week tours to the farms to hold political courses and work alongside the peasants in the fields. In a tip-off to the type of intensive agitation work to be conducted this winter, the Society for Scientific Education has announced that it is preparing to send 8,000 "lecturers" to the countryside in the next three months.

The regime has offered the peasants a series of inducements, largely monetary, to simulate livestock breeding, grape growing, farm construction, and the purchase of machinery, stock, seeds and fertilizers. It has invested 17 billion forints--40 percent more than was allocated by the draft Three-Year Plan for 1958-60. This redirection of funds to agriculture has forced a slowdown in other sectors of the over-all economic program. [redacted]

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Situation in Laos

[King Savang has refused to act on Souvanna Phouma's proposal that the principal representatives from Vientiane, Savannakhet, and the Pathet Lao meet in Luang Prabang under the King's aegis to form a broad national union government. The King is reliably reported to have replied informally through an intermediary that he could do nothing useful. He also said that he regretted that Vientiane troops were marching on Luang Prabang and that Souvanna had stipulated in advance that General Phoumi and Prince Boun Oum would be excluded from the proposed coalition government. Although the King is unsympathetic to the Souvanna regime and is engaged in backstage intrigues against it, he appears unwilling to run the risk of decisive action and continues to wait for a military solution.]

[Vientiane troops apparently continue to advance northward from Muong Kassy toward Luang Prabang.]

[Vientiane plans an attack on the royal capital on 5 December. There is a report that 1,000 additional troops were to leave the Vientiane area on 27 November to join in the operation against Luang Prabang. The US military attaché in Vientiane comments that the withdrawal of this force would leave the defense of Vientiane almost entirely to the Pathet Lao. An unconfirmed report states that Pathet Lao troops in Sam Neua Province are moving westward to assist in the operation against Luang Prabang.]

[Addressing a mass rally in Vientiane on 26 November, Souvanna reportedly expressed confidence that he and Phoumi could agree on a political solution but added, "If we are thwarted we will have to fight... but we will do this in case of dire necessity only." Souvanna meanwhile is considering proceedings for]

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[the impeachment of National Assembly deputies who are collaborating with the Savannakhet rebels. Twenty one of the assembly's 59 deputies are presently absent from Vientiane.]

[Within the past few days, the military commander of Phong Saly Province, Colonel Kham Ouane, has been the object of approaches by both the rightists and Vientiane. On 25 November, Kham Ouane informed Luang Prabang that he would follow the orders of the legal government in Vientiane, but that his position was essentially neutral and he would not engage in any action against Luang Prabang.]

[There are reports that a coup planned against the Souvanna government by Laotian Army officers in the Vientiane area has been uncovered. As a result Col. Kouprasith, commander of the Second Military Region, is under surveillance, and there has been a reassignment of the command for the defense of Vientiane. Coup plotting by other officers reportedly is continuing, however.]

[Both Peiping and Hanoi have responded enthusiastically to Souvanna's overtures for a good-will mission and reportedly have extended invitations for visits by a Laotian delegation in December.]

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~~TOP SECRET~~**Situation in the Congo**

Three emissaries of the proposed government of Joseph Ileo, who was named by President Kasavubu in September to succeed Lumumba, reportedly have secured Katangan President Tshombé's agreement to hold a round-table conference next month on the future of the Congo. The Ileo group, which probably is acting at the behest of Kasavubu, appears to be moving to exploit the advantage gained by Kasavubu at the UN. If the group can secure Tshombé's participation in a round-table conference, Lumumba's claim to be the only force which can hold the Congo together will be undermined. However, Tshombé and his associates remain suspicious and contemptuous of all Leopoldville figures, and are likely to set excessive conditions for Katanga's reintegration with the rest of the country.

Meanwhile, the 350-man Ghanaian police contingent, which was involved in last week's battle in Leopoldville with Congolese troops, is returning to Accra.

President Nkrumah has also ordered the entire Ghanaian diplomatic staff to withdraw "temporarily" from Leopoldville and has asked the UAR to protect Ghana's interests.

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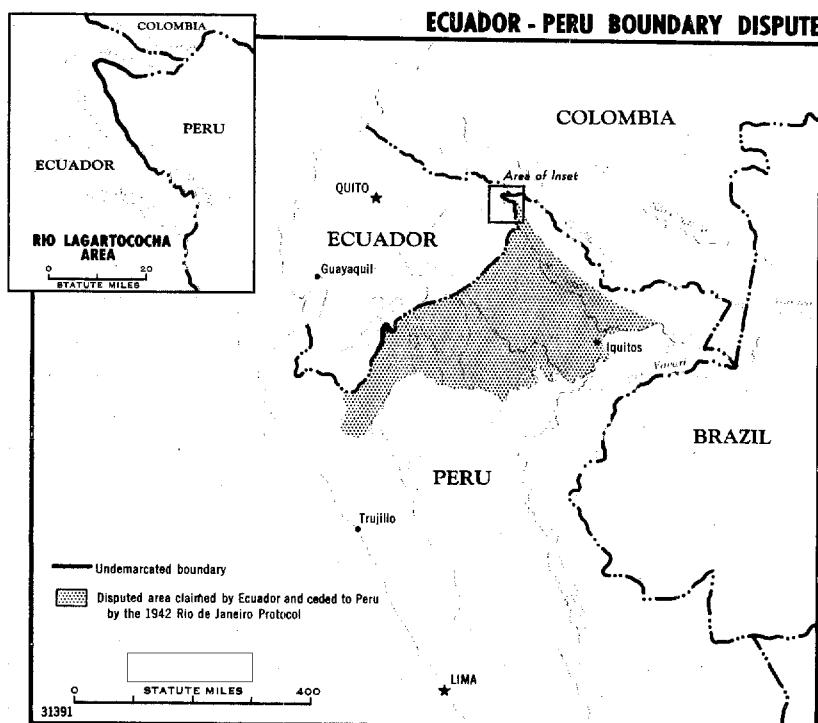
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West German Interzonal Trade Negotiator to Resign

West German interzonal trade representative Kurt Leopold has submitted his resignation to Chancellor Adenauer in protest over revelations by Bonn officials of the West German negotiating position in forthcoming talks to renew the abrogated trade agreement with East Germany. Leopold told American officials in Berlin that Bonn had shown "its trump cards" to the East, which now has the Federal Republic "eating out of its hand." He attributes the East Germans' recent uncooperative attitude on trade matters to these disclosures. In a press interview on 12 November, Adenauer had stated that Bonn would be flexible on new negotiations, which if conducted intelligently might achieve some advantage for Berlin access. The West German press has since reported Bonn's fears that a break in trade would give the Ulbricht regime a pretext to move against Berlin access and Bonn's eagerness to resume negotiations without necessarily making the lifting of East German restrictions a precondition of a new agreement.

Leopold has also had sharp differences of opinion with officials of West Germany's Economics Ministry and he may resent the presence in Berlin last week of certain of these officials who reportedly made informal contact with their East German counterparts. He foresees that negotiations will be handled by the Economics Ministry at a higher level than his Trusteeship Office. The American Embassy in Bonn was advised on 23 November, however, that the Trusteeship Office would initiate negotiations with the East Germans on 29 November, but with two high-ranking Bonn officials "sitting in the next room" to give advice to the West German negotiators, presumably Leopold or his deputy.

An "economic committee" of the cabinet advised Adenauer last week that the time has come to start negotiations immediately. Adenauer has deferred his decision until 28 November, when he is scheduled to see Leopold in Bonn to discuss trade problems and Leopold's resignation and at which time a decision will probably be taken on proceeding with the negotiations.

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Peru-Ecuador Boundary Dispute

[Top Ecuadorean officials are expressing their fear of an increase in pro-Castro influence and strong anti-US reactions in the event of a strong declaration by the "guarantor powers" reaffirming the Rio Protocol of 1942. The treaty provides for the definitive settlement in Peru's favor in its long-standing boundary dispute with Ecuador. President Velasco, who has frequently stated since taking office last September that the protocol was null and void, is reported to have threatened to align Ecuador with Cuba to win support for his position in the Organization of American States. Foreign Minister Chiriboga, who has made a number of similar denunciations of the protocol, including one before the UN General Assembly last September, has implied to Ambassador Bernbaum that Ecuador could win Cuban and Soviet bloc support for its case in the UN.]

[Ecuador has solicited and received the expressed sympathy of Cuba for its attitude toward the treaty, which Peru seeks to enforce to the letter because of the favorable award of territory disputed for more than a century.]

[The guarantor powers are the US, Argentina, Brazil, and Chile. The current meeting of the representatives of the guarantor powers in Rio de Janeiro and the planned declaration on the protocol came as a result of Peru's request and Ecuador's provocative campaign against its validity. Argentina, Brazil, and Chile have expressed concern over Ecuador's incitement of the issue, which arouses extreme nationalistic sentiments in Peru and Ecuador. Both governments have virtually unanimous public support for their equally inflexible positions, and any retraction or concession by either would be likely to threaten that government's stability. Peruvian Prime Minister Beltran]

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[recently warned Charge Neal that any qualification of the US endorsement of a guarantor declaration on the validity of the protocol would bring him to the point of resignation. Officials in both Peru and Ecuador appear to be resorting to threats in order to fortify their respective positions.]

[Pro-Castro elements in Ecuador are relatively strong and include anti-US Minister of Government Araujo, the politically prominent mayor of Quito, possibly the leftist minister of education who recently returned from an official visit to Czechoslovakia to seek economic aid, a potentially strong pro-Communist student organization, the Communists, a number of prominent intellectuals, and probably the majority of the Socialist party. Araujo recently permitted the return to Ecuador of the representative of Castro's controlled international press agency who had been expelled by the former conservative regime.]

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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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