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18 February 1961

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# CENTRAL INTELLIGENCE BULLETIN



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Ghana: [Nkrumah's regime is reported to be so aroused against the West that it has decided to issue a public statement inviting the USSR to finance and supply technical assistance for the huge Volta River power-aluminum project. The report went so far as to state that the Nkrumah regime would reject any further technical aid from the United States.]

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[it acquires some plausibility in view of Nkrumah's highly emotional and anti-American approach to the Congo situation. Soviet President Brezhnev now is in Ghana on a visit arranged on short notice as an addendum to his state visit to Guinea. Nkrumah may make some announcement on the Volta project during his scheduled appearance before the Ghanaian parliament on 21 February. A Western consortium's negotiations concerning the project now are in the final stages.]

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25X1 [REDACTED]

Laos: [King Savang will make a broadcast on 19 February reaffirming Laos' neutrality and appealing for internal unity and noninterference from abroad, according to General Phoumi. Formal invitations to Burma, Cambodia, and possibly Malaya to form a neutral nations commission in Laos will either be contained in the King's speech or issued at a follow-up press conference to be held on the same day by the Boun Oum cabinet. General Phoumi's mission to Phnom Penh to consult with Prince Sihanouk and to induce Souvanna Phouma to return presumably will be undertaken within a few days of the King's speech. Whether Souvanna can be persuaded to become associated in any capacity with the Boun Oum government is doubtful.] [REDACTED] 25X1 *m*

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South Korea: Growing domestic criticism of the recently negotiated US - South Korean bilateral aid agreement is becoming a serious problem for the Chang Myon government. Charges of American interference in South Korean internal affairs are being fanned by the conservative opposition, leftist groups, nationalistic student elements, and some sections of the press. Student opposition to the agreement appears to be led by a small group which has sponsored public forum discussions on unification with the North and a neutralist solution to Korea's difficulties. A large-scale student demonstration *o k*

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against the aid agreement is reportedly scheduled for 19 February in Seoul. Such activities may improve the climate for North Korean overtures for the withdrawal of American troops from the South and unification on terms favorable to Pyongyang.

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Berlin: West Berlin government officials are taking a skeptical view of the new, "simplified" procedures--announced by the East Germans on 15 February--for the issuance of passes to West Germans entering East Berlin. The officials point out that while the new procedures mean less inconvenience for the individual, the East Germans are continuing to exercise illegal controls over free movement within the city and in effect to demonstrate sovereignty over East Berlin. Mayor Brandt announced publicly on 16 February that any pass requirement is incompatible with four-power Berlin agreements. The change in procedures was only a minor technical concession in response to Bonn's insistence that the East Germans fulfill their commitment to relax the intersector travel controls in return for Bonn's agreement on 29 December to reinstate its trade agreement with East Germany. The West German cabinet met on 16 February to consider the situation.

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Belgium: Resignation of the Liberal party ministers from Premier Eyskens' Social Christian (Catholic) - Liberal coalition government appears to be a tactical move in preparation for the national elections expected to take place on 26 March. Eyskens' cabinet would have resigned next week in any case, but by this move the Liberals may hope to avoid the onus of recent developments in the Congo and thus enhance their electoral prospects. The Liberals, who represent conservative business interests, had demanded cuts in the social welfare services as part of the government's recently enacted austerity program, a move which would also have been embarrassing

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to Eyskens and the Social Christian party, which includes a large Catholic labor organization. Both the Social Christians and the Liberals are expected to make gains in the elections at the expense of the Socialist party, which has lost popular support as the result of the recent strike violence.

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Ghana's Neutralism Increasingly Favorable to Communist World

[Although there has been no change in Ghana's established policy of "positive neutrality," the Nkrumah regime has over the past 18 months moved away from exclusive reliance on the West and become progressively more receptive toward contacts and tactical collaboration with the Sinô-Soviet bloc. Since last summer this shift has accelerated greatly as a result of what Nkrumah and other top Ghanaian leaders regard as Western--especially US--responsibility for the frustration of Accra's pro-Lumumba Congo policy. Following the ousting from the Congo of Ghana's chief diplomatic representative and the seating of the Kasavubu delegation in the UN last November, Nkrumah was reliably reported as being in a "rage" against the US, which he then, for the first time, publicly accused of abetting Belgian "attempts to regain control over the Congo."

A vitriolic, [ ] anti-American campaign drawing heavily upon bloc propaganda materials was launched by the government-controlled press and continued at a high pitch until just prior to the inauguration of the new US administration. At the same time, more extreme Ghanaian leaders--such as labor chief John Tettegah--instituted a policy of shunning contacts with American representatives in Ghana.]

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[Meanwhile, Nkrumah, encouraged by influential leftist officials in his own regime, has become increasingly receptive toward involvement with the bloc. Since last August, Ghana has accepted a \$40,000,000 Soviet economic aid credit, purchased [ ] Soviet IL-18 aircraft on favorable terms, and entered other agreements providing for trade, technical assistance, and cultural cooperation with the USSR and some of its European satellites. In December a protocol was signed with the USSR specifying a wide range of development projects to be carried out by the Soviet Union over the next several years. In addition, various plans for Soviet-Ghanaian cooperation in the military field reportedly are also under active consideration. As a result of these arrangements, the number of Soviet technicians in Accra has already risen]

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[above 100 and more are expected as individual projects get under way. That these expanded ties reflect a basically softer attitude toward the USSR is strongly suggested by such private Nkrumah statements as his recent assertion that there is more "democracy" in the USSR than in any other country.]

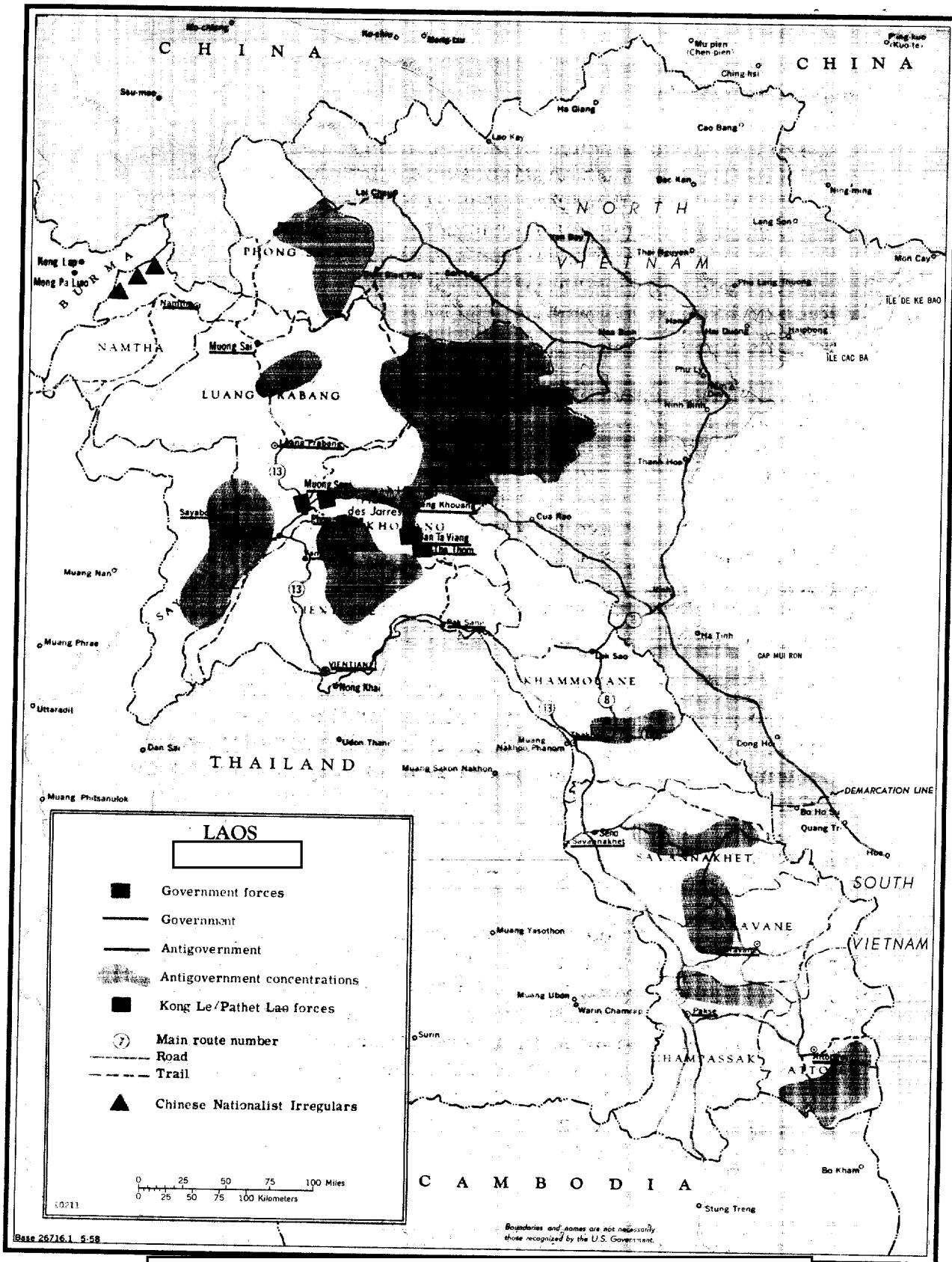
[The recent announcement of Lumumba's death has again provoked bitter and unrestrained denunciations of Western "imperialists" in Ghanaian newspapers, but at least initially specific attacks were focused on Belgium, Hammarskjold, and NATO with little reference to the US except for an uncomplimentary allusion to former President Eisenhower. In fact, President Kennedy's and Ambassador Stevenson's expressions of regret were given greater prominence than Moscow's.]

[On the other hand, Nkrumah did name the US as one of Belgium's allies which "must answer questions" regarding the arming of Lumumba's adversaries, and the US Embassy was a principal target of the regime-sponsored demonstrations in Accra on 15 February. On 16 February Nkrumah presented Ambassador Russell with an aide-memoire taking strong exception to President Kennedy's press conference interpretation of the constitutional role of Congolese President Kasavubu. These developments may presage an early revival of an all-out campaign against the US. However, the aide-memoire and the related press announcement released on 17 February were couched in essentially legalistic terms and neither they nor the atmosphere of the ambassador's interview with Nkrumah contained any hint of an impending major shift in Ghana's aid policies such as would be involved in the substitution of Soviet for Western aid in connection with the \$350,000,000 Volta project]

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Situation in Laos

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[General Phoumi, in outlining to Ambassador Brown on 16 February plans for the King's speech and his own mission to Phnom Penh, stated that the question of reorganization of the government had not yet been decided. Much apparently depends on whether Souvanna agrees to participate in an expanded government. Numerous politicians from various geographic regions of Laos stand ready to participate.]

[Tension between the French and Laotians arising from the incident in Vientiane involving the AFP correspondent who has been hiding out in the French Embassy appears to be abating. Laotian troops which had surrounded the embassy have been withdrawn, and Boun Oum has expressed regret for this diplomatic impropriety. However, a new and possibly more serious incident may develop at Seno military base. In a follow-up to its "symbolic take-over" of Seno earlier in the month by occupation of two vacant buildings, the Laotian Government, through local military authorities, has requested the French commander at Seno to yield certain other buildings. Paris has instructed the latter to refuse and to oppose force by force. Although expressing willingness to negotiate with Laotian officials on differences concerning the Seno base, the French have stated they will not do this under duress.]

[Kong Le - Pathet Lao forces defending the western approaches to the Plaine des Jarres area reportedly have forced the retreat of forward elements of the government force inching its way along Route 7 a few miles from the Phou Khoun crossroads. Enemy tactics still appear in general to be defensive, but the Kong Le - Pathet Lao forces might exploit any significant local success to regain control of the junction with Route 13.]

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Opposition to South Korea - US Aid Agreement

[The April revolution generated national pride in South Koreans, particularly among young people who expected a quick improvement in their political and economic situation. Although the ouster of Rhee improved United States - South Korean understanding, the new nationalism is sensitive to any alleged infringements on Korean sovereignty. South Koreans have been particularly sensitive over the administration of the United States aid program and over the lack of a status-of-forces agreement which would give them jurisdiction over off-duty American military personnel.]

[Much of the criticism by students, opposition legislators, and the press appears to be based on misinformation. Ignoring the existing situation, one legislator has argued that free import privileges for US aid mission personnel would permit a flood of foreign luxury goods that could disrupt the nation's economy. Another has speculated that a secret annex to the agreement contains terms more disadvantageous than those made public. A leftist politician, prominent in the most extreme overt political opposition, has led the formation of a "joint struggle committee" to oppose the agreement. Although there is no evidence as yet that student opponents of the agreement are Communist directed, they are an obvious target for Communist subversive efforts, particularly where, as in the present instance, their activities can be disguised as nationalistic protests.]

[Prime Minister Chang has publicly expressed his confidence that the legislators will agree there are no unfavorable aspects in the agreement once they fully understand the situation. However, should public opposition to the aid agreement continue to increase, Chang might become reluctant to force the assembly to ratify it. Chang's party has a majority, but many members are reluctant to support what they feel to be an unpopular measure.]

[Since the revolution and the almost total demoralization of the national police, any public agitation raises the prospect that demonstrations will get out of hand. Although the]

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[police promptly dispersed a small group of students who assembled in Seoul's Pagoda Park on 14 February to debate the assistance agreement, it is questionable how effective they would be against a large demonstration.]

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