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2 August 1960

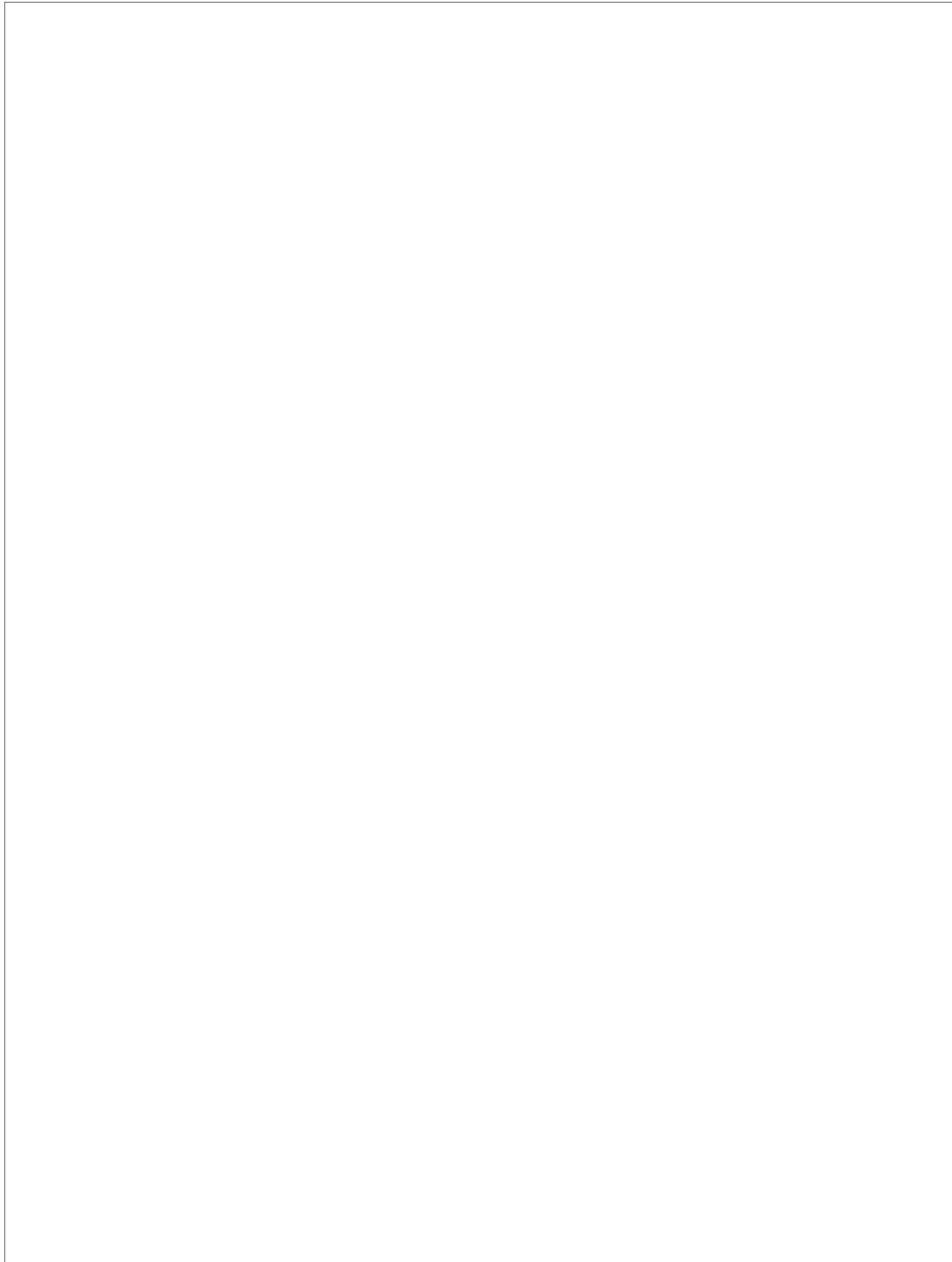
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CENTRAL INTELLIGENCE BULLETIN



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2 AUGUST 1960

I. THE COMMUNIST BLOC

Ghana apparently ready to negotiate Soviet economic aid offer.

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II. ASIA-AFRICA

Possibility of uprisings in Angola.

②

Tapline may halt crude-oil deliveries to Syria tomorrow; Syrians demanding higher transit revenues.

③

Yemen--Imam, under increasing influence of pro-bloc advisers, raising obstacles against US-financed road development.

④

Libyan King may shake up cabinet.

⑤

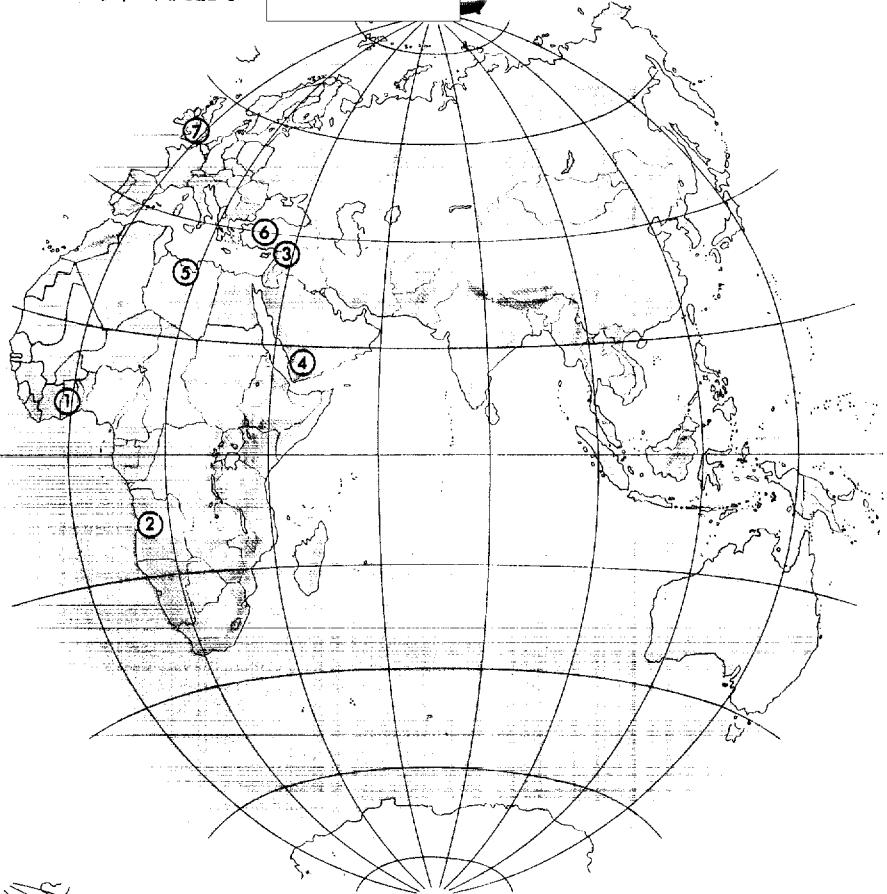
General Norstad impressed by revolutionary zeal and vigor of new Turkish regime.

⑥

III. THE WEST

Britain keeping door open to eventual membership in Common Market.

⑦

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CENTRAL INTELLIGENCE BULLETIN

2 August 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

Ghana-USSR: [Nkrumah appears ready to negotiate a detailed Soviet offer of large-scale technical and economic assistance. Four senior Ghanaian representatives have gone to Moscow to discuss the offer, which was made in June. The Soviet proposal, which includes a credit to Ghana, possibly amounting to \$280,000,000, was reportedly accepted "in principle" by the Ghanaian cabinet last month. Nkrumah is determined to implement various prestige and development projects for which Ghana's own resources are inadequate, and he is confident that he can contain bloc influence in Ghana.] Sirah
OK

(Page 1)

II. ASIA-AFRICA

Angola: [Angolan police authorities reportedly have discovered a cache of machine guns and rifles in the Cabinda area north of the Congo River. Information, as yet unconfirmed, suggests that the arms were for use in a local uprising sometime this month, possibly by the pro-Communist Revolutionary Front for the Independence of the Portuguese Colonies.] No

The possibility of imminent nationalist disorders in Angola is also raised]

[the anti-Communist Union of the Peoples of Angola planned in the near future to launch "positive action" against the Portuguese in Angola, operating from a base in the Congo.] (Page 3) (Map)

UAR-Tapline: [The dispute between the UAR and the Trans-Arabian Pipeline Company (Tapline) over Syrian demands for sharply increased oil transit revenues may come to a head if Tapline halts crude-oil deliveries to Syria's Communist-built] No

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[refinery on 3 August as scheduled. Company officials are convinced they must not accede to the Syrian demands despite the risk that Nasir may retaliate and shut down the entire pipeline, which normally delivers daily about 460,000 barrels of Saudi crude oil to Sidon in Lebanon. Tapline is conducting eleventh-hour negotiations with Syrian officials, but prospects for a solution appear slight.]

Yemen: The US-financed road development project is endangered by new obstacles raised by the Imam, who seems to be falling further under the influence of pro-Communists.

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"American road project is being torn to pieces" by "destructionists" who have the ear of the Imam, and that continuation of the present trend will lead to "absolute failure" of the US project.

(Page 4)

Libya: King Idris may soon make substantial changes in the Libyan cabinet, although no major foreign policy shift seems likely. OK Prime Minister Kubar, who has held his post since May 1957, has become increasingly frustrated by the King's refusal to delegate to him sufficient power to run the government effectively. Kubar is reported to have submitted his resignation. (Page 5)

Turkey: Leaders of Turkey's provisional regime, in conversations on 25 July with General Norstad, impressed him with what he termed their revolutionary zeal and vigor. General Gursel, in discussing the proposed forced military retirement program, said he believed the plan could be put on a voluntary basis if modest pensions were available. The Turkish leaders made no suggestion to Norstad that they might feel forced to seek the necessary funds for the retirement program from non-Western sources.]

No

III. THE WEST

Britain: [] the Macmillan government has not closed the door to seeking eventual membership.]

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[in the Common Market. Influential sectors of the British press
and some members of Parliament have demanded a reassessment
of British policies to avoid isolation from the Continent. While
no early move is likely, the subject will probably be discussed
when Macmillan meets Adenauer in Bonn on 10 August.]

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2 Aug 60

DAILY BRIEF

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Ghana Reported Negotiating Large-Scale Soviet Aid

Ghana's President Nkrumah appears ready to negotiate details of large-scale technical and economic assistance from the Soviet bloc.

Nkrumah on 20 July approved for limited distribution a policy paper which in effect advocated acceptance of such aid. The paper, prepared by Ghana's ambassador in Moscow, expressed the conviction that the USSR is sincerely trying to help African states maintain a neutral position between East and West and that acceptance of technical and economic assistance from the bloc would not jeopardize Ghana's policy of neutralism. On 27 July three senior representatives of the Nkrumah regime departed for Moscow, where they were to be joined by the chairman of Ghana's Industrial Development Corporation, Ayeh-Kumi, who is a key figure in both the formulation and execution of Ghana's development program.

While the purpose of the Ghanaians' trip to the USSR has not been made public, their mission is to undertake detailed discussions based on a draft assistance agreement offered by the USSR in June and accepted "in principle" by the Ghanaian cabinet last month. The Soviet proposal includes a credit to Ghana, possibly amounting to \$280,000,000, and provides for a mixture of economically sound undertakings together with a number of projects designed to achieve immediate propaganda effect. The USSR would deliver equipment and materials and also furnish technical aid for some 28 different projects. Not included among these, apparently, is the Volta River hydroelectric-aluminum project in which Moscow reportedly also expressed an interest last June.

Nkrumah has been cautious in his dealings with the bloc since Ghana became independent in 1957 and has repeatedly expressed a preference for Western aid--especially in connection with the Volta project, for which Western financing now appears likely. However, his determination to implement rapidly a wide

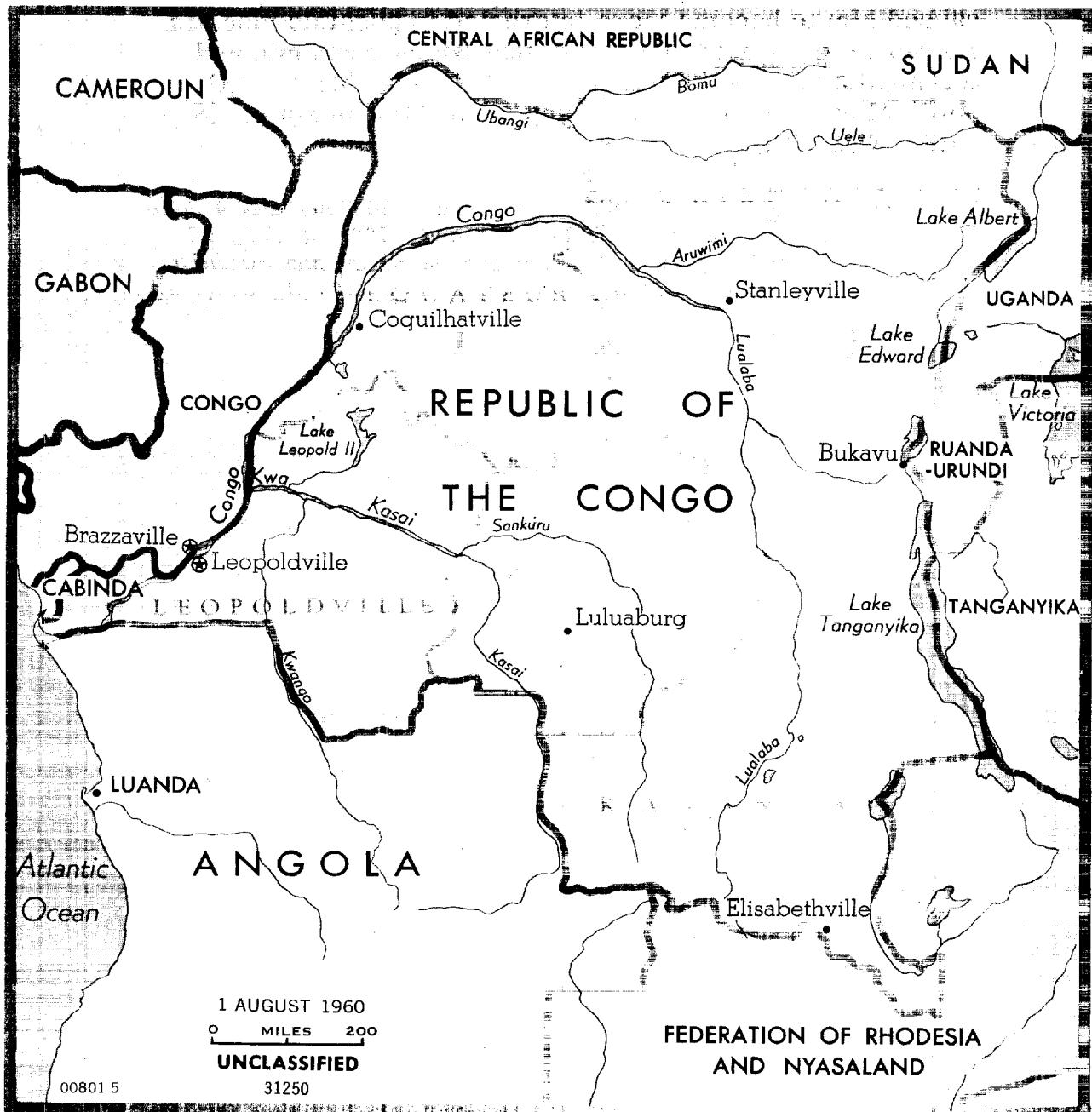
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[redacted] and costly variety of prestige and development programs has caused him to become more interested in possible bloc aid. He reportedly stated last month that Soviet economic and technical assistance would not result in any change in the political policies of Ghana or any other African state.

[redacted]

[redacted]

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Nationalist U[redacted]st in Angola

[Police authorities in Angola have discovered a cache of arms including 18 machine guns and over 300 rifles in the encl[redacted]e of Cabinda north of the Congo River]

[suggests that the arms were to have been used in an uprising sometime in August. Portuguese officials suspect that the pro-Communist Revolutionary Front for the Independence of the Portuguese Colonies (FRAIN) may have been responsible.]

Portuguese officials have been particularly concerned about security in Angola since the outbreak of disorders in the Congo.

[the local military commander asked that parachute troops and an army battalion be sent immediately from Portugal to strengthen the 9,150-man force in Angola. [the governor general expressed his fear that arms from the Congo would be smuggled across the border. [the Angolan natives were being stimulated by events in the Congo and that African troops might not be loyal in the future. [On 6 June, 12 Angolan natives reportedly were arrested as they attempted to cross into the Congo. They carried documents containing plans of military installations in Cabinda and information on Portuguese military units in Angola.]

The Portuguese apparently believe that FRAIN--which has been based at Conakry--is leading the nationalist movement, but

[the non-Communist Union of the Peoples of Angola (UPA), led by Jose Gilmore, is of more importance. [Guinean President Sekou Touré plans to drop his sponsorship of FRAIN and to back the Accra-based UPA. The UPA reportedly plans in the near future to launch "positive action" against the Portuguese in Angola. Gilmore, who has represented Angola at several African regional meetings, is on the steering committee of the All-African People's Conference. The committee, several months ago, designated 3 August as a "Day of Solidarity" for the people of Portuguese and Spanish Africa to be observed throughout Africa.]

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US Road Project in Yemen Endangered

Imam Ahmad of Yemen, under the influence of anti-Western and pro-Communist bloc advisers, is posing obstacles to the construction of the US-financed road from Mocha to Taiz and Sana. The Imam has objected to aerial photography of the route, pointing out that the "Chinese do the work on the ground." Also, he is critical of plans to erect buildings for the American engineers and believes they should live in tents, despite freezing winters in the Yemeni highlands and tropical temperatures in summer along the coast. Preparations for constructing the Taiz camp have been suspended, although those at Mocha are proceeding.

Pro-Western Yemeni officials and the US Legation state that "powerful anti-Western elements" are steadily at work on the Imam, imputing to the US the worst possible motives. They have charged US-British collaboration in plots against Yemen and insincerity regarding the road project. Any delays in implementing the project will work to their advantage and that of their Russian and Chinese supporters. Although the majority of Yemenis are believed to be pro-American, the Imam has lost his sense of political perspective and apparently is unaware of the Communist menace. The combination of Communist-supported opportunists and reactionary leaders of the "back to the thirteenth century" movement appears to be in the ascendancy over the Imam at the present time.

the "American road project is being torn to pieces" by "destructivists" who have the ear of the Imam and that continuation of the present trend will lead to "absolute failure" of the project.

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Changes Likely in Libyan Cabinet

King Idris may soon replace Prime Minister Kubar and other cabinet members, although no significant policy shift seems likely. Kubar, who also serves as foreign minister, has been prime minister since May 1957, continuing in that post through two major ministerial shake-ups. He has been essentially pro-Western, though a tough and persistent negotiator on the amount and type of US and British aid to Libya.

In the last few months he has been increasingly frustrated by the King's refusal to delegate to him sufficient power to run the government effectively. Certain of the King's palace advisers have sought to undermine Kubar whenever they could, and the provincial governors, responsible directly to Idris, have exercised authority in matters which clearly belong within the federal government's jurisdiction. Kubar recently told the American and British ambassadors of his intention to ask the King to relieve him of duty, or at least grant him a long holiday abroad. Since then Idris has sent a royal circular letter to all officials criticizing corruption in government--a move which Kubar considers an attack on his administration. [redacted] the King has also refused Kubar permission to take leave at this time, and the prime minister has formally submitted his resignation. [redacted]

[redacted]

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Britain and the Common Market

The Macmillan government evidently has not closed the door to seeking eventual membership in the six-nation European Economic Community (EEC or Common Market), despite the generally negative line taken by Selwyn Lloyd on 25 July when he made his final speech in the House of Commons as foreign secretary. The government is much concerned about the long-run consequences of the split between the EEC and the British-backed European Free Trade Association, or Outer Seven, following the EEC's decision last May to speed the implementation of the Common Market and to take the first steps toward putting into effect its common external tariff by the end of this year.

Failure of repeated British efforts to reach some accommodation with the EEC, short of joining it, has probably intensified the opposition of President of the Board of Trade Maudling and some other cabinet members to any consideration of joining the supranational Common Market. At the same time, however, there have been growing demands from influential sectors of the British press and some members of Parliament for a reassessment of policies, lest the United Kingdom become only "a group of windy islands off the Atlantic coast of Europe."

Lloyd's recitation of the obstacles to early British membership was influenced by recent [redacted] remarks by French President de Gaulle, [redacted] he favored British membership in the EEC but that the time is not now propitious. Lloyd presumably wanted to dampen public pressures for early moves by the Macmillan government. [redacted]

Lloyd's speech should not be interpreted as representing a definitive governmental decision not to join the Common Market.

The subject probably will be discussed when Prime Minister Macmillan visits Chancellor Adenauer in Bonn on 10 August. London hopes that the German business community's desire for wider trading opportunities will bring pressures on the French for an EEC accommodation with Britain, and that Adenauer will use his personal influence with De Gaulle in this direction. [redacted]

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