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4 March 1961

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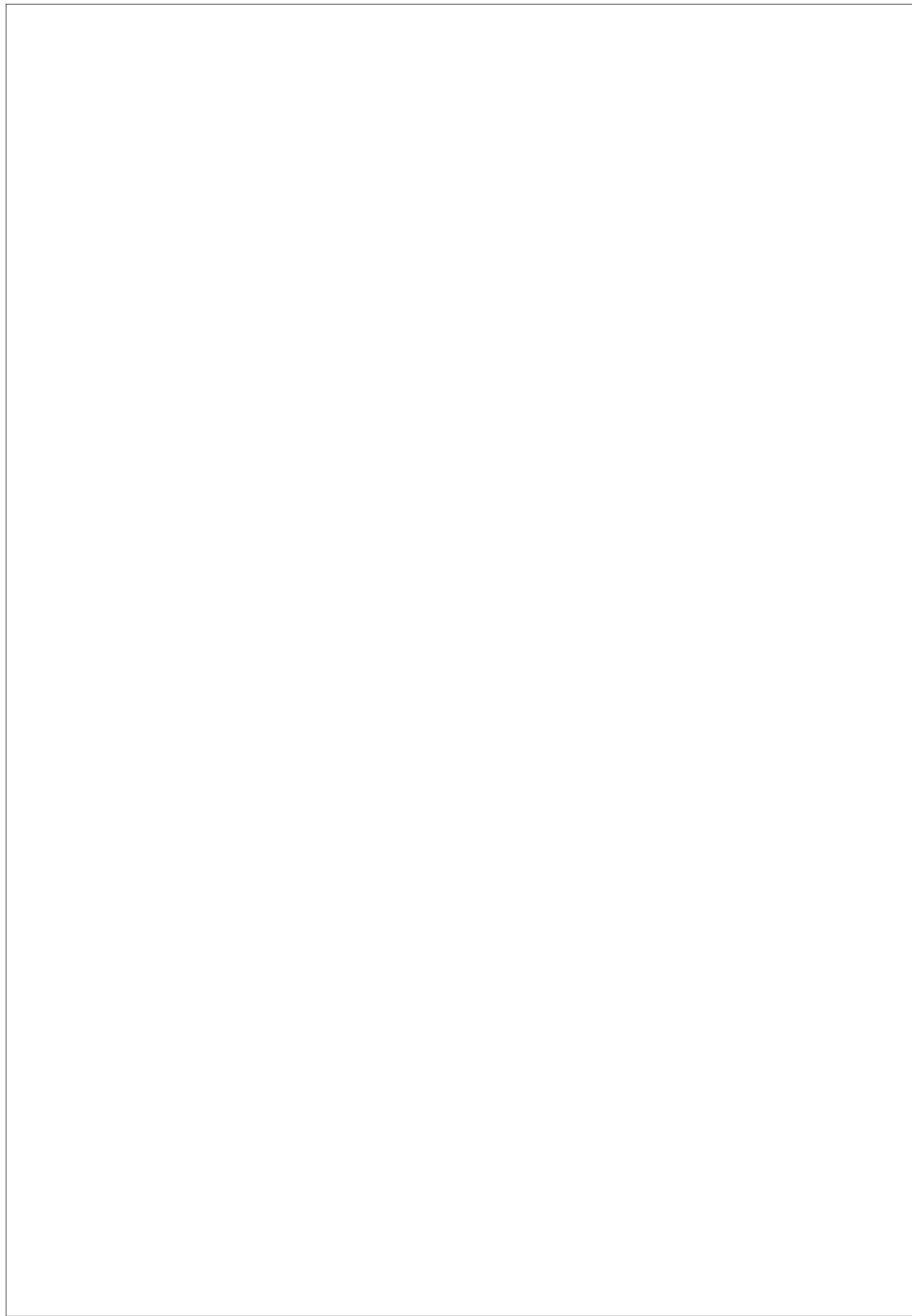
INTELLIGENCE

BULLETIN



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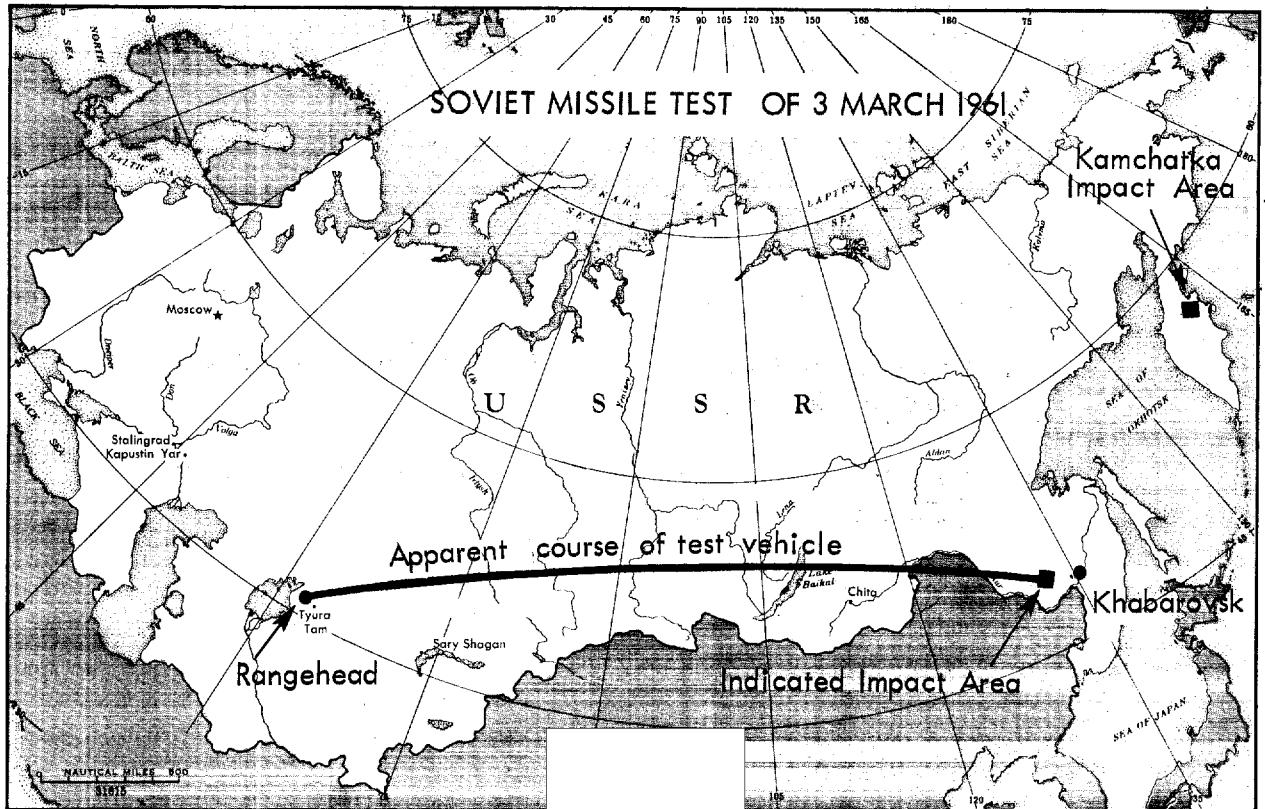
4 March 1961

CENTRAL INTELLIGENCE BULLETIN

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Congo: Belgian Foreign Minister Wigny has directed the immediate recall of all Belgian military personnel who arrived in Katanga after 1 July 1960.

[redacted] the government has no information on the identity of Belgian mercenaries under private contract with the Tshombe government. [redacted] The US consul in Elisabethville warns that wholesale and indiscriminate withdrawal of the Belgian military cadre--about 230 officers and men--would result in the disintegration of the Katanga army into lawless units.

[redacted] the Soviet ambassador had twice seen the Sudanese foreign minister but still had not obtained transit visas for Soviet diplomats to go to Stanleyville. The request for the visas was submitted in mid-February.

[redacted] Luluabourg was quiet on 2 March, with UN forces and Congolese troops cooperating to maintain order. [redacted] (Backup, Page 1)

USSR: A test vehicle was launched from Tyura Tam at about 1400 GMT (0900 EST) on 3 March. Preliminary analysis [redacted] indicates the vehicle impacted in the Khabarovsk area--about 1,100 n.m. southwest of the normal ICBM impact area on the Kamchatka peninsula--after a flight of some 2,700 n.m. Although determination of the specific nature of the vehicle must await further information, the over-all character of the operation suggests an ICBM test in which the missile suffered a failure in guidance.

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Britain - France - Communist China: The American Embassy in London believes that the Macmillan government will find it difficult to continue to support the moratorium on the question of Chinese representation in the UN this year. The government assumes that Communist China will inevitably be voted into UN membership this year or soon thereafter, replacing Taiwan in both the General Assembly and Security Council. In the embassy's view, the Macmillan government further believes that it has become impossible successfully to attach any conditions to the seating of Peiping. The embassy concludes that recent public statements by Foreign Secretary Home and others are part of a British initiative designed to secure United States acquiescence to the shift in seats.

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Queried about the French position by the US Embassy in Paris, a Foreign Ministry official said his government will probably soon undertake a high-level review of French policy on diplomatic recognition of Communist China and Chinese representation in the United Nations. He denied, however, that any shift in the French position is imminent. In the past, Peiping's support of the Algerian rebels has been a major stumbling block, but Foreign Ministry officials are now considering whether a French ambassador in Peiping would be useful for influencing the representatives of new French-speaking African states which have recognized Communist China or may do so.

(Backup,

Page 3)

Communist China: Peiping is negotiating additional grain purchases with Australia, Canada, and Argentina which may result in new orders for as much as two million tons. The Chinese have already purchased about \$200,000,000 worth of food-stuffs in recent months, including about three million tons of food grains. Peiping has undertaken a variety of emergency measures, such as selling silver bullion and securing short-term credits from Hong Kong banks, to ease the pressure of

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these purchases on its foreign currency resources. Although there has been speculation that the USSR has advanced a hard currency loan to China to cover the emergency grain imports, there is no reliable evidence that such financial backing has been arranged. However, Sino-Soviet economic talks, which have been under way in Peiping since early February, may result in an accommodation designed to ease the Chinese balance of payments with the USSR by rescheduling Peiping's debt repayments.

Poland-Cuba: A contract under which Poland will provide Cuba with a tool plant valued at \$1,959,000 was signed on 11 February. The agreement called for a 30-percent down payment, with the balance payable in 12 semi-annual installments, probably at 5-percent interest. A similar contract was signed on 14 February for a steel foundry, worth \$1,486,922, calling for 16 semi-annual payments. Although Poland claims these agreements are normal commercial transactions, the terms offered could be construed as economic aid by US standards. The fact that these agreements were made despite repeated US warnings that they could jeopardize Warsaw's chances of receiving financial aid from the US suggests that Warsaw is under some pressure to contribute to the Communist bloc's economic aid effort in Cuba.

(Backup, Page 5)

South Korea: Pressure stimulated by press and student groups for a status-of-forces agreement is creating an issue in South Korea's relations with the United States. The lower house of the national legislature on 2 March unanimously called for the "earliest" conclusion of an administrative agreement, and Prime Minister Chang Myon has been obliged to assure the public that the government is acting to resolve the issue.

South Koreans consider that the lack of an agreement derogates their sovereignty, particularly because Japan has a status-of-forces pact. In addition, public sensitivities have been sharpened by the belief that recent economic measures--

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[a revised foreign exchange rate, certain features of the new aid agreement, and increased utility rates--were adopted at the behest of the United States.]
(Backup, Page 6)

Morocco: [Former Premier Abdallah Ibrahim, a leader of the left-wing National Union of Popular Forces (UNFP), has indicated his organization will give King Hassan II "some two weeks" to initiate steps leading toward the establishment of a parliamentary democracy.] One such step would be to set a date for the election of a national assembly to draft a constitution. Ibrahim indicated that the left would "hit the King hard" on his first "misstep" and stated that such opposition "could go as far as civil war." OK

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Situation in the Congo

[The US consul in Elisabethville believes that as many as 250 Belgian mercenaries are integrated into Katanga army units with the full support of the Katanga government, and would be difficult to deport. Any deportation order would have to be enforced by the UN Command, with adequate strength to quell possible armed resistance.]

[The military cadre officers are members of the Belgian Army, and could be ordered by the Belgian Government to leave Katanga. However, reluctance to leave 10,000 Belgians in Katanga at the mercy of an undisciplined native army will probably cause the Belgian Government to proceed slowly.]

[There are probably 40 important official Belgian civilian advisers distributed among the Katanga government ministries, as opposed to Belgian adventurers. The American consul feels that loss of the official advisers would paralyze the Katanga government. The US Embassy in Leopoldville reports that the Leopoldville provincial and central governments include 400 or 500 Belgians and that their withdrawal would drastically reduce operations.]

[Paris would almost certainly refuse, as it has since UN operations in the Congo began last year, to pay its share of the costs. France continues to disapprove of UN operations in the Congo, [] France had wished to reach a common US-UK-French position on the Congo, but the United States had not cooperated.]

[During the week ending 26 February, commentaries broadcast by Peiping on the Congo exceeded the number devoted to any international event in the past five years. Communist China, which in contrast to the USSR has opposed the UN's role in the Congo from the start, on 3 March endorsed Khrushchev's proposal to replace the UN operation in the Congo by a commission of African states. Obviously referring to Afro-Asian sponsorship of the 21 February Security Council resolution to strengthen the UN's hand, Peiping warned against "unrealistic illusions" about]

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[the UN as long as it is "under the manipulation of the United States."]

[Possibly as the result of a power struggle, Gizenga has confined Anicet Kashamura, who until last week ran Kivu Province. Although press reports from Stanleyville assert that Kashamura is still a member of the Stanleyville government, [] he was under house arrest on 1 March, at which time he contacted the UAR representative with a view to sending his children to Cairo. The UAR representative "dismissed him courteously."]

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~~CONFIDENTIAL~~Western Positions on Communist China and the UN

[The Macmillan government's public position remains as stated by Lord Home in the House of Lords on 8 February. He argued that despite Peiping's lack of credentials as a peace-loving government, "the facts of international life require that Communist China should be seated in the United Nations." He added that Britain had supported the moratorium only because the choice had been "between the admission of Communist China and the breakup of the United Nations. So long as that was the choice there was only one answer.]

[Britain's grudging support of the moratorium has come under increasingly heavy fire from the Labor opposition, from many Conservative MPs, and from public opinion generally. Noting that the policy conflicts with Britain's 11-year-old recognition of Peiping, where a chargé is maintained, the government's critics find the issue a most popular one on which to belabor American Far Eastern policy and to charge British subservience to Washington. The British preoccupation with achieving a disarmament agreement provides powerful support for the argument that Communist China's isolation from the international community should be reduced. British officials tend to believe that bringing Peiping into contact with pacifying influences in the UN might lessen the chances of an attack on Taiwan or other areas. The British also desire to get more closely in step with African and Asian members of the Commonwealth, whose leaders will participate in the prime ministers' meetings opening in London on Wednesday, 8 March.]

[The American Embassy, as a result of its detailed examination of the British position, concludes that the British have anticipated that the new US administration might make some changes in US China policy, and want to appear to have influenced Washington rather than to have followed "obediently" behind.]

[The French Foreign Ministry official in charge of Chinese affairs stated on 21 February that the British attitude as stated]

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by Lord Home was unlikely to change the French Government's opposition to seating Peiping. He indicated, however, that Paris was going to restudy the question. He himself believed that the situation within the UN was changing, although he felt that Communist China would probably spoil its own chances of admission by demanding unacceptable preconditions.)

Official circles in Paris apparently feel that the British experience in recognizing Communist China has been disappointing and that there is little likelihood of a major expansion of trade possibilities. If at some future date De Gaulle decides that to recognize Peiping would give France an advantage in its over-all power position, he would face no serious domestic opposition to doing so. Propaganda activity in support of Communist China is being stepped up in France. The Sino-French Friendship Society reportedly feels that its campaign in favor of official recognition of Communist China and its admission to the United Nations has made enough progress to warrant extending its drive into the French provinces. The New China News Agency also plans increased activity in France. The prominent Paris weekly L' Express, which has hitherto concentrated on criticizing the Algerian war, is running a series of pro-Peiping articles by the non-Communist leftist political leader Francois Mitterrand about his visit to China and his interview with Mao Tse-tung.)

Other countries are reconsidering their position. The new Quadros administration recently announced that Brazil will support inclusion of the Chinese representation question on the UN General Assembly agenda at its next session. Malayan Premier Rahman, according to an unconfirmed report, plans to vote for the admission of Communist China next September. While Canada is reviewing its support of the moratorium, a preliminary paper on the subject contains no recommendation for a change in position.)

Taipei retained its seat in the UN last fall by the slimmest margin since 1951; 42 members supported the moratorium, 34 voted against, and 22--mostly African and Asian members--abstained.)

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Poland Signs Aid Contracts With Cuba

Polish diplomats were reminded by US officials in January and February that under the Mutual Security Appropriations Act of 1961 the US will refuse to grant assistance to any country that provides economic or military aid to the Castro regime. At the same time the US asked for information which would confirm or deny reports that Poland plans to grant economic aid to Cuba.

Polish officials have made clear that they do not feel obligated to explain their trade with Cuba to the US, and have intimated that some regime leaders objected to the American questioning. Nevertheless, a deputy minister of foreign trade allowed US Embassy personnel in Warsaw to scrutinize commodity lists that purported to "explain" Poland's trade with Cuba. These lists, however, contained no information on the extent or terms of trade, and did not in fact constitute a reply to the American inquiry.

Both in Warsaw and Washington, Polish diplomats and trade representatives have attempted to confuse the issue by stressing that the extent of Polish trade with Cuba will be very small--some estimates ranging as low as \$1,000,000 annually. However, despite a record 1960 sugar beet crop, Poland has already contracted for the purchase of \$4,000,000 worth of Cuban sugar, and extensive negotiations are going on in other fields. An agreement was reached in December 1960 that Polish-Cuban trade for 1961 would total \$44,000,000.

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(The resolution passed by the lower house of the South Korean Assembly on 2 March called for a status-of-forces agreement "in which the legal status of United States armed forces stationed in Korea will be provided for, as promised in the joint communiqué issued by both governments on 8 August 1953." The Rhee government repeatedly emphasized its desire for such an agreement, and on this issue politically conscious Koreans support their government now as they did then.)

(A nationwide signature campaign is under way, and leaflets being distributed in the cities by various organizations urge conclusion of an agreement. Several demonstrations have recently emphasized the status-of-forces issue, and editorial comment has been extensive. The chief opposition party advocates early conclusion of an agreement, and Chang Myon has indicated his ruling party will adopt a similar position. Chang maintains that since there has been no fighting for nearly eight years, the public will not swallow the argument that the "state of war" justifies special treatment of South Korea.)

(Political dissatisfaction this year has been aggravated by economic conditions and the early depletion in the southern provinces of winter food stocks. Consumer prices have risen sharply since the first of the year. Grain shortages in urban areas, the result of hoarding by speculators, and projected increases in transportation and power rates are expected to compound the inflationary rise and increase public restiveness.)

(Government spokesmen have attempted to discredit public agitation by linking it to Communist-motivated "impure elements." Although there is no firm evidence to support the government's charges, such unrest provides an opportunity for

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Communist subversive activity.

the National Police have been alerted to seek out subversive agitators and be prepared to put down possible large-scale antigovernment demonstrations.

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