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# CENTRAL INTELLIGENCE BULLETIN



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25 JULY 1960

**I. THE COMMUNIST BLOC**

Chinese Communists renew criticism of Khrushchev's policies. ①

Peiping to buy up to 500,000 tons of Cuban sugar annually for five years; Chinese also to extend economic aid. ②

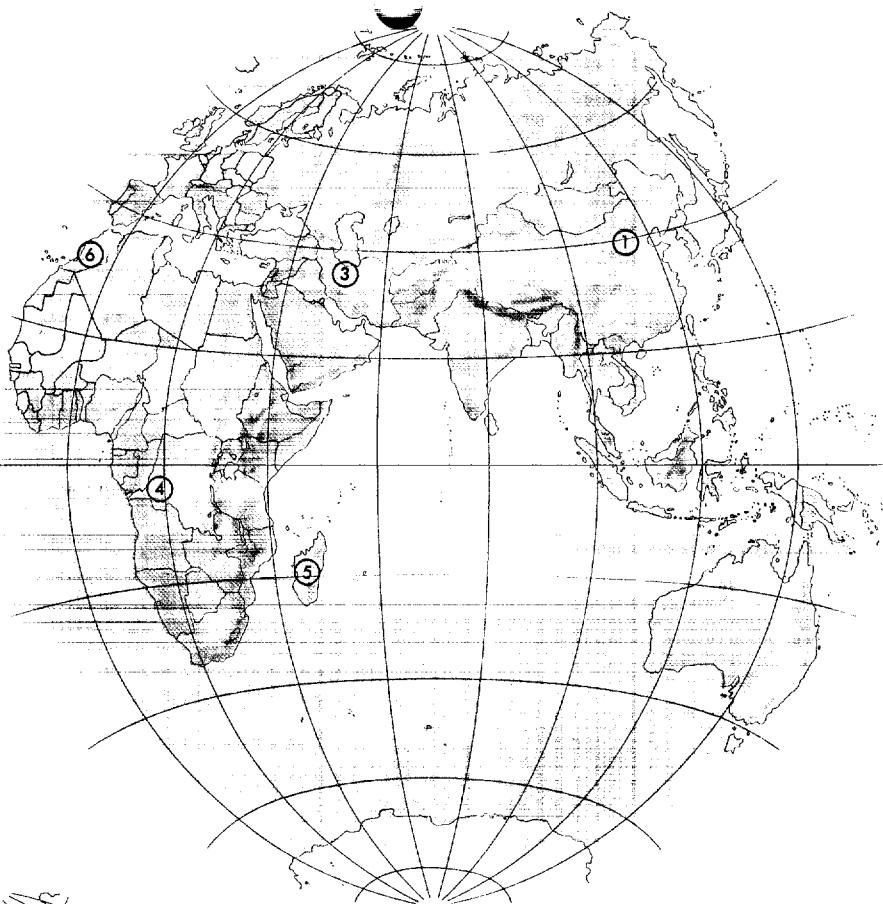
**II. ASIA-AFRICA**

Iran's recognition of Israel draws bitter criticism from Arab states. ③

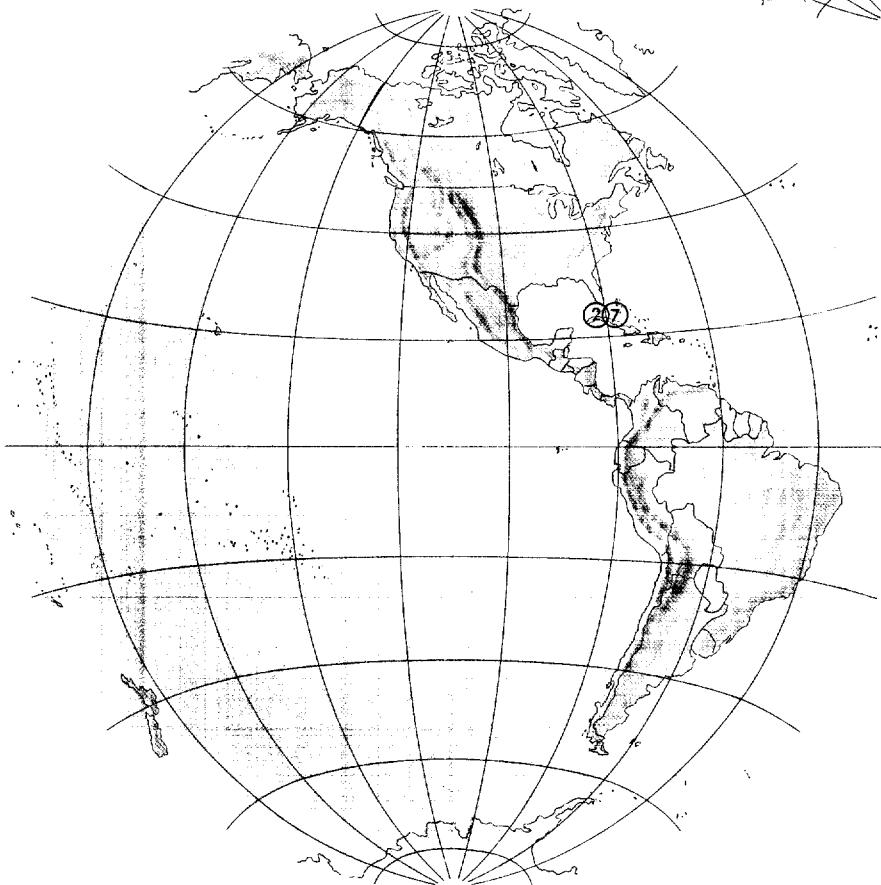
Comment on Congo situation. ④

Brief disorders in Malagasy Republic likely to lead to growth of nationalism. ⑤

Morocco--Crown Prince Hassan moving to strengthen his position at expense of moderately inclined King. ⑥

**I. THE WEST**

⑦ Latin American Youth Congress opening in Havana tomorrow to be attended by bloc delegations; meeting will propagandize anti-US subjects.



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## CENTRAL INTELLIGENCE BULLETIN

25 July 1960

## DAILY BRIEF

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## I. THE COMMUNIST BLOC

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Communist China - USSR: The Chinese Communists, whose criticism of Khrushchev's policies had been muted since early July, are renewing their attacks. Speaking to the Third Congress of Chinese writers and artists on 22 July, politburo alternate member Lu Ting-i implicitly attacked Soviet post-Stalin policies for permitting a degree of intellectual freedom which might cause bloc countries "to degenerate into capitalism." Lu insisted that Mao's "hundred flowers" campaign of 1957 was never intended to be a policy of liberalization. [ ] (Page 1)

*OK*

Communist China - Cuba: The trade pact concluded on 23 July represents a strong Chinese effort to win diplomatic recognition from Cuba, which appears imminent, and is intended to demonstrate Peiping's willingness to back anti-US movements with considerable material support. Peiping has promised to buy at world prices up to 500,000 tons of Cuban sugar annually over the next five years--well over twice the amount of sugar normally imported from nonbloc countries by China. The trade agreement is to be followed later this year by an economic aid agreement under which Peiping is to provide industrial equipment and presumably technical assistance to Cuba. [ ] (Page 2)

## II. ASIA-AFRICA

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Arab States-Iran-Israel: Arab governments are reacting vigorously to the Shah's announcement of Iranian recognition of Israel. The secretary of the Arab League is contacting its members to prepare a joint stand, and Radio Cairo has attacked Iran as "a base for Western operations against the Arabs," saying it is not surprising that a regime comparable to that of Nuri Said in Iraq "should have fallen prey to Zionism." [Iran has long had de facto relations] [ ]

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[with Israel, and a key reason for the Shah's decision to grant formal recognition may have been overtures which Israel has been making through unofficial channels to furnish Iran with technical and economic aid.] Arab governments have a limited ability to retaliate by intensifying internal difficulties for the Shah; they might be able to stir up trouble among the Arab and Kurdish minorities in southern Iran.

(Page 3)

*NB*

Congo: United Nations forces have arrived in strength, and the easing of tension continues. Meanwhile, the formal proposal of Katanga Premier Tshombé to have his province join with the five other Congo provinces in a federation of autonomous states offers the possibility of a new approach to the Katanga secession problem.

Premier Lumumba is planning to go to Moscow after his visit to the US and Canada. There is no other information concerning Lumumba's plans in this regard.

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Malagasy Republic: Disorders with an anti-European cast erupted briefly in the capital city of Tananarive on 20-21 July, when three nationalist leaders returned from lengthy exile in France. The government of President Tsiranana has blamed "imbeciles" under foreign influence and "Communists" for the violence and has adopted strong measures to prevent a renewal of the disturbances. The Malagasy Republic, which gained its independence from France on 25 June, is governed by a moderate, pro-French regime which is expected to win the forthcoming parliamentary elections in September. Thereafter, however, the three returned exiles are likely to develop a wide following which will probably lead to a more nationalistic government.

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Morocco: Crown Prince and Deputy Premier Moulay Hassan, who is accused by some Moroccan officials of seeking to establish a rightist dictatorship, seems to be steadily strengthening

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his position, even though he continues to antagonize democratic and liberal elements in Morocco. The prince is vigorously carrying out the conduct of the government and is isolating the moderately inclined King by securing the removal of advisers not subject to the prince's control. Unless he eventually over-reaches himself in his maneuvers against the King, the prince shows every sign of continuing to dominate Moroccan foreign and domestic policy. [redacted] (Page 6)

### III. THE WEST

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Cuba: The long-planned Latin American Youth Congress, which opens on 26 July, will be a major effort to propagandize the Castro--and Communist--goal of "liberating Latin America from US imperialism." Because the congress is likely to be completely Communist dominated, youth groups in Peru, Bolivia, Chile, and other countries have boycotted it, but delegates are expected from most Latin American countries and from the Sino-Soviet bloc. [redacted] (Page 7)

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Sino-Soviet Dispute

After a three-week lull in its public dispute with Moscow, Communist China has resumed its oblique criticism of Khrushchev's policies with another attack on "modern revisionists." Peiping had evidently been persuaded, following the meeting of bloc party leaders in Bucharest in late June, to mute its open criticism in the interest of maintaining an appearance of bloc unity, but Moscow has continued on every occasion since that time to put forth arguments for detente and coexistence which the Chinese find repugnant.

Speaking at the Third National Congress of Chinese writers and artists, politburo alternate member Lu Ting-i charged that "modern revisionists, with the Tito clique as their representative," are charting domestic and foreign policies to suit the needs of "imperialism." On the matter of domestic policy, Lu stated that there should be no slackening in the political as well as ideological fields in a socialist society, and that "only through protracted and repeated struggle" will it be possible to eradicate revisionist views. The context of his remarks that bourgeois ideas could cause socialist society to degenerate into capitalism indicate they were primarily directed toward the situation in China, but they were nonetheless an oblique attack on Moscow's post-Stalin policy of permitting a degree of intellectual freedom in the USSR and other bloc countries.

Lu's comments on Mao Tse-tung's "hundred flowers" campaign were defensive in tone; he insisted that this move has been proved "completely correct" and never was intended to foster "liberalization." He argued that the campaign was not inconsistent with strong political control, whereas actually such degrees of "free speech" had been reached in 1957 that even Moscow was critical and Mao had to do a humiliating about-face and abandon the campaign.

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Chinese Communists Conclude Trade Pact With Cuba

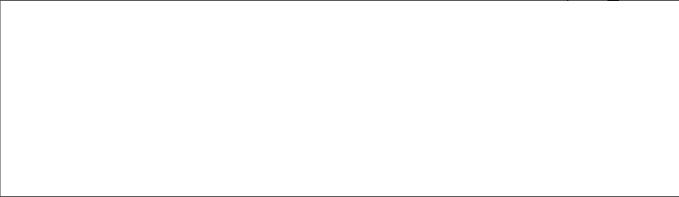
The trade pact concluded by Peiping and Havana on 23 July represents a strong Chinese effort to win diplomatic recognition, which appears imminent, and is intended to demonstrate Peiping's willingness to back anti-US movements with considerable material support. Since the Castro takeover, Peiping has worked diligently to deepen the leftist commitment of Cuban leaders and secure its first breakthrough in diplomatic recognition by Latin America.

Under the provisional quotas of the agreement, Peiping is to take up to 500,000 tons of sugar annually during the next five years--well over twice the yearly amount normally imported from its non-bloc sources. The first 500,000 tons, however, probably includes the 130,000 tons purchased earlier this year from Havana. In return for the sugar, minerals, and other commodities, China will supply Cuba with manufactured goods and agricultural products, including rice.

In view of China's shortage of merchant ships, difficulties in the transfer of commodities--particularly sugar--may be encountered which would limit the prospects for increased trade envisaged in the new pact.

Peiping hopes to strengthen further its economic ties with the Castro regime by extending credit for Cuban economic development to Havana. A Cuban mission is to visit Peiping later in the year to conclude a credit agreement for deliveries of complete--probably small--industrial plants. This credit probably will be repaid with additional Cuban exports.

The Chinese sugar purchases raise total bloc purchases to about 2,500,000 tons for this year, approximately half of Cuba's foreign sales. Most of the remainder has gone to the United States.



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Arab Reaction to Iran's Recognition of Israel

Arab governments are reacting vigorously to the Shah's announcement on 23 July that Iran has recognized Israel de jure. Radio Cairo has attacked Iran as "a base for Western operations against the Arabs" and has said it is no surprise that a regime comparable to that of the late Nuri Said in Iraq "should have fallen prey to Zionism." The reaction from Jordan and Lebanon has been similar, if less vitriolic, and the secretary of the Arab League is contacting representatives of all member states to prepare a joint stand.

The timing of the Iranian announcement was particularly irritating to President Nasir. UAR celebrations of the anniversary of the Egyptian revolution are under way, units of the UAR's new "Palestine Liberation" army have been paraded, and propaganda has been emphasizing solidarity against Israel.

Last week,

the Iranian foreign minister told the Saudi ambassador in Tehran that Iran was in an embarrassing position because Switzerland wished to discontinue looking after the interests of the many Iranians in Israel. This appears, however, to have been a convenient excuse. A key motive for the Iranian decision was probably the overtures which Israel has been making through unofficial channels to furnish technical and developmental aid.

De facto relations have long existed between the two countries; there has been a considerable measure of cooperation in intelligence matters, and oil has been shipped from Iran through middlemen to Israel. For several weeks certain Iranian officials are reported to have been considering formal recognition.

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Congo Situation Eases

The continued arrival of United Nations troops and their dispersal throughout the Congo except in Katanga Province appear to have contributed to the easing of the tension in the Republic of the Congo. The withdrawal of Belgian forces from Leopoldville to the Belgian base at Kitona was effected on 23 July apparently without incident. Essential port, pipeline, and other transportation facilities are gradually being returned to operation, and some Belgian and other refugees are returning to the Congo.

Unemployment and food scarcities remain urgent problems, and UN authorities seek to enlist the services of trained administrators from other African states. Two members of the Belgian Communist party claim to have been approached by the Congo Government to accept positions as technical advisers, [redacted]

The formal proposal of Katangan Premier Moise Tshombé that all six Congo provinces join in a federation of autonomous states may offer the possibility of a new approach for settling the problem of Katangan secession. Tshombé, who has failed to secure international recognition for an independent Katanga, now is attempting to enlist support for a loose confederation less likely to require rich Katanga to support the other provinces.

Premier Patrice Lumumba appears to have great hopes for a 50-year financial and management agreement which he signed with the Congo International Development Corporation, a newly created private organization. This agreement, which provides for the financing and developing of all natural resources and a technical assistance program, must be ratified by the Congo Parliament. The agreement may cause serious repercussions, however. The American ambassador in Leopoldville anticipates "trouble" when, as in the past, grandiose plans of the firm's president, Edgar Detwiler, fail to materialize.

Lumumba arrived in New York on 24 July for a ten-day visit to the United States and Canada in search of economic and technical assistance.

[redacted] the Congolese UN delegate as saying Lumumba would travel to Moscow immediately thereafter. This is unconfirmed.

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### Disorders in the Malagasy Republic

Disorders were sparked in the capital city of Tananarive on 20 and 21 July by agitators in the crowd of 40,000 persons who gathered to welcome the return of Dr. Joseph Raseta, Dr. Joseph Ravoahangy, and Jacques Rabemananjara, leading Malagasy nationalists who had been in exile in France for their part in leading the abortive nationalist revolt in 1947. The Malagasy Council of Ministers on 22 July adopted strong measures to prevent a renewal of the disturbances, which included attacks on European property until they were quelled by prompt police action. The government blamed "imbeciles" under foreign influence and "Communists" and promised quick and severe punishment, including the expulsion of troublemakers to offshore islands.

There are no Sino-Soviet bloc diplomats in the new republic, which gained independence on 25 June. However, a Communist-front organization, the Congress party for the Independence of Madagascar (AKFM), is the leading opposition to moderate President Tsiranana, and probably was involved in the disturbances. The front organization is dominated by hard-core Communists and reportedly receives important financial and other support from the French Communist party. In municipal elections held last fall, the AKFM made a strong showing in urban areas such as Tananarive and the major French naval base at Diego-Suarez.

Parliamentary elections this September are expected to favor President Tsiranana, who will capitalize on the attainment of independence, but the three returned exiles will probably thereafter lead the opposition to Tsiranana's pro-French policies. The three have a special appeal to the Merina tribesmen in interior areas of the island who were politically dominant before the 1947 rebellion.

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Moroccan Crown Prince Seems to Be Gaining Strength

Crown Prince Moulay Hassan, who is deputy premier of the government of King Mohamed V, seems to be steadily strengthening his position even though he continues to antagonize the democratic and liberal elements in Morocco. Several cabinet ministers who have disagreed with the prince or have become disgusted with what they consider his overbearing mien are rumored to have attempted to resign. The ministers apparently were dissuaded by the King's assurances that the prince would not get wholly out of hand. The minister of public works feels the King's patience with the prince and "his clique," who openly seek to "establish a dictatorship," is not unlimited.

The American Embassy in Rabat believes the King is becoming less and less a curb on the prince. Moulay Hassan's recent public and private remarks and his acceptance of invitations to visit Moscow and Peiping suggest that he is increasingly inclined to pursue a policy of nondependence. In his view this would have the advantage of permitting Morocco and himself to play the role of leader among newly independent states of Africa, of gaining the maximum benefits from playing the East against the West, and of gaining personal prestige by obtaining objectives of the leftist opposition, such as securing the evacuation of foreign troops.

The prince, who conducts governmental affairs with initiative and vigor, is further isolating the King by the removal of personal advisers such as former Director of National Security Mohamed Laghzaoui and the former director of the royal cabinet, Mohamed Hamiani. Moreover, he apparently has reorganized the military and internal security services so that they are more responsive to his control. The embassy believes the prince may increasingly mold the Moroccan Government to his purposes, eliminating those ministers who refuse to collaborate with him. The prince shows every sign of dominating both foreign and domestic policy in Morocco, but he may yet overreach himself with his father and conservative political parties. [redacted]

[redacted]

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## Developments in Cuba

The long-planned Latin American Youth Congress, which opens in Cuba on 26 July, is to be a major propaganda effort promoting the Castro-Communist goal of "liberating the Latin American people from US imperialism." Cuban agents have for some months been organizing delegations in other Latin American countries with the help of local Communists. The congress is likely to be completely Communist dominated--an expectation which has led important youth organizations in Peru, Bolivia, Chile, and other countries to boycott it. Nevertheless, youth delegations, however unrepresentative, are likely from all or most Latin American countries.

Foreign "dignitaries" expected in Cuba for the conference include Mexican Communist labor leader Vicente Lombardo Tole-dano, who is to represent the Communist-front World Federation of Trade Unions, [and pro-Communist Jacobo Arbenz, former President of Guatemala.]

"Fraternal delegates" are also arriving from most Sino-Soviet bloc countries, including the USSR, Communist China, North Vietnam, and North Korea.

[ ] a special Cuban plane is to pick up representatives of the "Vietnamese youth farmers" in Geneva to take them to Cuba. The date for the flight is given as 3 August, which suggests that further gatherings among foreign representatives may be scheduled after the close of the youth congress. The youth congress will provide Communists from all parts of the world with an opportunity for liaison and the development of joint programs.

Meanwhile, Italian oil magnate Enrico Mattei has turned down a Cuban request to manage the foreign refineries seized in Cuba early this month, but he is considering the sale to Cuba of refinery equipment for cash and the provision of technical aid. Officers of the seized refineries maintain that Cuba's biggest problem in running them will be access to replacement parts.

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