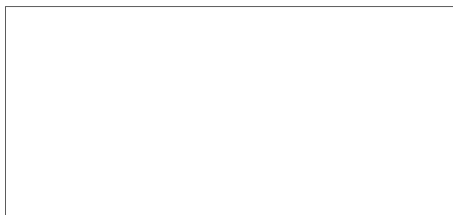


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31 October 1960



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CENTRAL INTELLIGENCE BULLETIN

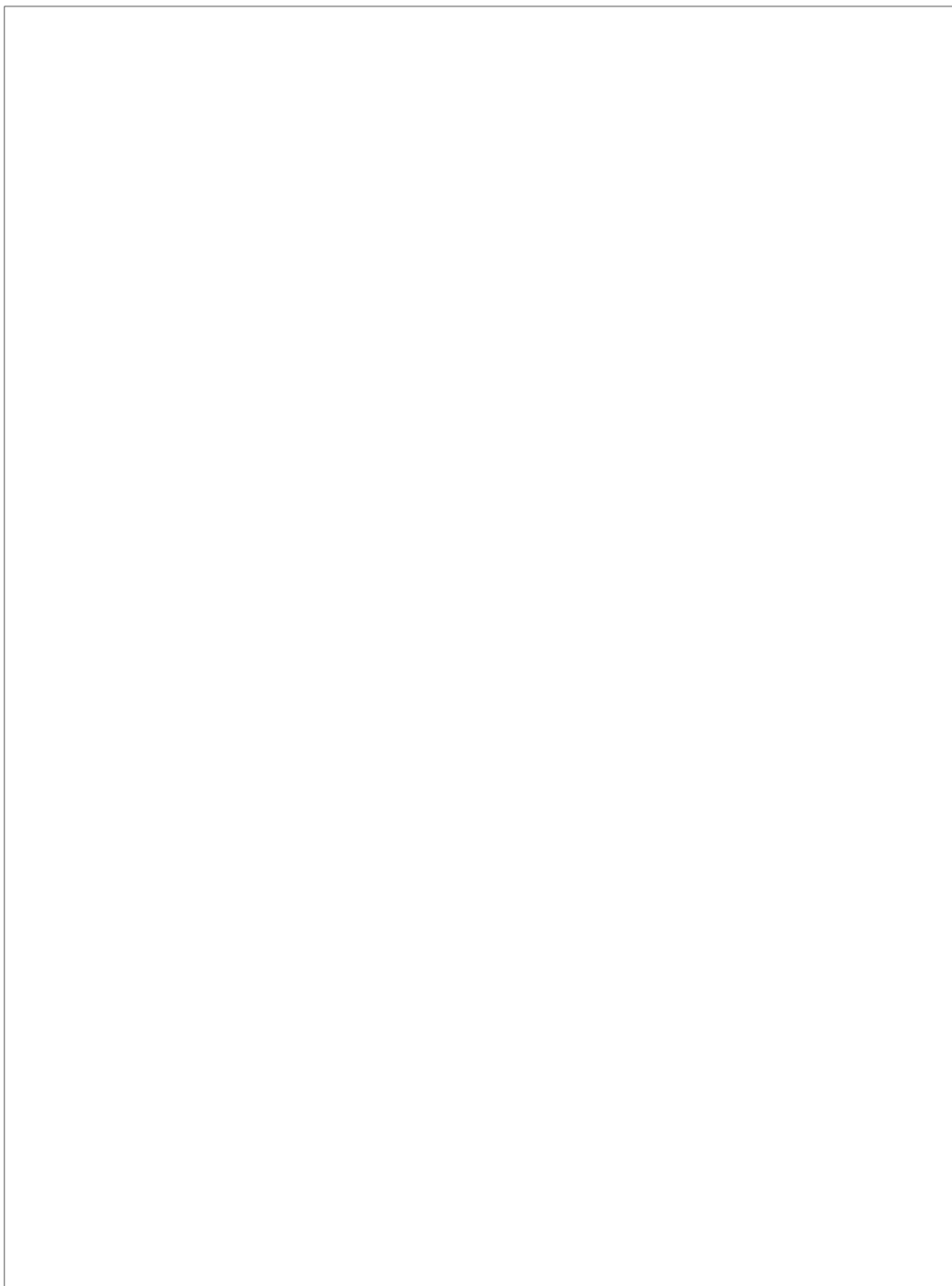


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31 OCTOBER 1960

I. THE COMMUNIST BLOC

USSR engaged in major program to purchase tankers in free world; contracts already signed for seven, with negotiations under way for at least 12 more.

Soviet party central committee to meet in December on agriculture; shortcomings this year and last may lead to shake-up in agricultural leadership.

II. ASIA-AFRICA

Situation in Laos.

Situation in the Congo.

III. THE WEST

Salvadoran military elements opposed to present junta may try to seize control; US Embassy sees various appointments by junta and return to country of many extreme leftists as strengthening government's "far-left, pro-Castro tinge."



CENTRAL INTELLIGENCE BULLETIN

31 October 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR: The Soviet Union has launched a major program to purchase large, modern tankers in the free world in order to reduce its dependence on chartered Western vessels. Negotiations with the Netherlands, Italy, and Japan have resulted in Soviet contracts for seven tankers, two of them already delivered, and negotiations are under way for at least 12 others, with tonnages ranging from 25,000 to 48,000 dead-weight tons each. The first tanker purchased under this program already is en route to the Black Sea to load petroleum for Cuba. All but two Soviet-owned tankers in operation heretofore have been in the 11,000-ton class or smaller. [redacted] (Page 1)

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USSR: The Soviet party central committee is scheduled to meet on 13 December to consider agricultural matters, according to a TASS announcement. Soviet agricultural production has for the second straight year been well below the annual levels required to meet the Seven-Year Plan goals. The December meeting will undoubtedly review proposals for improving the organization of agricultural management, and may signal a shake-up in agricultural leadership. It may also consider other matters, particularly the results of the meetings of Communist bloc leaders scheduled for November. [redacted]

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II. ASIA-AFRICA

Laos: The Pathet Lao is demanding participation in a coalition government as one of its major conditions in the peace talks with the Vientiane government, according to one of the government negotiators. Souvanna Phouma, in a recent conversation with the American ambassador, gave the impression that he had not ruled out Pathet participation in an expanded government of national union. Soviet Ambassador Abramov, meanwhile, has left [redacted]

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[Vientiane for his resident post in Phnom Penh, and has stated he does not intend to return to Vientiane for several weeks.] [redacted] (Page 3)

Republic of the Congo: Renewed tribal fighting in southern Kasal Province, together with increasing friction between Katanga President Tshombé and UN officials in Elisabethville, have brought a further deterioration of conditions in the Congo interior. [redacted]

[redacted] hostile tribesmen were being aided and armed by certain UN contingents; he also stated that "We consider ourselves to be at war" with hostile tribes in the Luluabourg area.

The UN announcement that a 15-nation conciliation committee will be sent to Leopoldville appears unlikely to do much to end the political stalemate there. Lumumba's African supporters had favored the dispatch of a smaller group with the membership weighted in favor of Lumumba. [redacted] (Page 5)

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III. THE WEST

El Salvador: Military elements opposed to the six-man junta which assumed power following the 26 October ouster of President Lemus are planning to stage a countercoup within the next few days, according to sources of the US Embassy in San Salvador. The US Army attaché there reported on 28 October that the junta continued to appear in complete control, but added that even an abortive new coup attempt could result in considerable bloodshed. The embassy, in commenting on the junta's appointments to government positions and the return to El Salvador since 26 October of many Communist and pro-Communist student and labor leaders, notes that these "further strengthen the far-left, pro-Castro tinge of the new government." [redacted] (Page 7)

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31 Oct 60

DAILY BRIEF

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Moscow Seeking Free-World Tankers

The Soviet Union has launched a major program to procure large, modern tankers in the free world to boost the carrying capacity of its tanker fleet and to lessen its dependence on chartered Western vessels. It is negotiating with the Netherlands, Italy, and Japan for the purchase of nearly 20 vessels--some already launched--with tonnages ranging from 25,000 to 48,000 dead-weight tons each. As all but two Soviet-owned tankers now carrying oil exports fall in the 11,000-ton class or smaller, these acquisitions would increase significantly the USSR's ability to transport its own petroleum. [REDACTED]

The first tanker purchased from the Netherlands under this program already is en route to the Black Sea to load petroleum for Cuba. This 25,000-ton vessel was originally contracted for by Greek owners, but was sold to the USSR prior to delivery--apparently for cash. Four more Dutch tankers of this class are to be delivered to the USSR during the next two years. [REDACTED]

In Japan, the Soviet Union has recently purchased a 39,000-ton tanker and is said to have closed a deal for another vessel of this size. In addition, Moscow has opened negotiations for several Japanese tankers of more than 30,000 tons each. In line with Soviet efforts to acquire larger vessels, Japan was asked to increase from 20,000 to 35,000 tons the size of the five tankers the USSR plans to buy under the terms of the Soviet-Japanese trade pact.

[REDACTED]

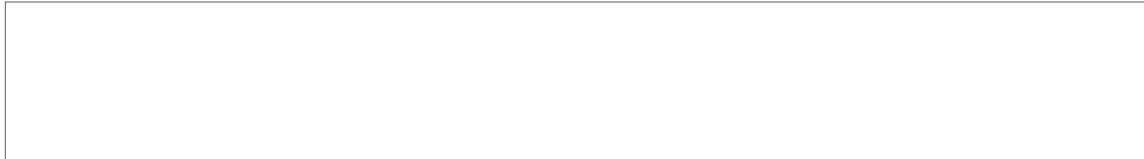
Moscow is offering large quantities of wheat in exchange for Italian ships. The USSR wants to purchase immediately two tankers of 47,700 tons each launched earlier this year for the Italian state fuels agency (ENI) and to contract for the construction of four or five 35,000-ton tankers. For six weeks Soviet representatives have been pressing for an agreement on the two ENI tankers, but no decision has yet been made by the Italian Government.

The USSR's petroleum commitments to Cuba, which have required substantial readjustments in the employment of Soviet tankers


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and the chartering of many Western vessels, probably are the immediate impetus for these purchases. Moscow has accomplished these readjustments successfully, but in the long-run probably hopes to reduce or even eliminate Soviet reliance on chartered vessels and is looking to Western shipbuilders to supplement bloc construction programs as the most rapid way to achieve this aim. []



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Situation in Laos

[Minister of Finance Inpeng, a member of the Laotian Government negotiating team in the peace talks with the Pathet Lao now in progress in Vientiane, states that the Pathets now are specifying participation in a coalition government as one of their major conditions for a settlement. In previous sessions of the talks, the Pathets had seemed to soft-pedal demands for participation in a coalition government while concentrating on appeals for joint military action against Phoumi. It is possible that they have taken Vientiane's lack of aggressiveness toward Savannakhet to indicate an eventual reconciliation between the two, and are therefore entering their bid for a place in any government of national unity which might result.]

[Premier Souvanna Phouma, in a recent conversation with Ambassador Brown in Vientiane, indicated willingness to reorganize his government to include Phoumi partisans, but not Phoumi himself, if the Savannakhet Revolutionary Committee was dissolved--a move which Phoumi has thus far shown little disposition to make. Souvanna added that this might be followed by inclusion of one or two members of the Neo Lao Hak Sat (NLHS), the Pathet Lao's legal political front, to make the resulting government one of national union. Souvanna later qualified his remarks by saying that NLHS inclusion in the government was merely one "conception" which might lead to a comprehensive solution of the crisis in Laos.]

[Soviet Ambassador Abramov and his party left Vientiane on 28 October to return to Abramov's resident post in Phnom Penh as ambassador to Cambodia. Prior to departure, members of the party told Brown that Abramov would return in a few weeks but that there were no plans for the establishment of a resident staff in Vientiane at least until next year.]

[The possibility of renewed attacks by Vientiane forces, possibly in collaboration with the Pathet Lao, on Phoumi's forces between Pak Sane and Thakhek continues to be the subject of conflicting reports. The principal indicator of any build-up for attacks on Phoumi has been reports of the movement of a sizable number of trucks.]

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Southward from Vientiane. The American Army attaché in Vientiane does not believe there is yet sufficient evidence to support the thesis of a heavy build-up of the forces of Captain Kong Le and the Pathet Lao for an attack southward toward Thakhek. [redacted]

[redacted] a recent reconnaissance by a company of Phoumi's troops revealed nothing of significance. The Vientiane forces were reported to be digging defensive positions north of the Ca Dinh River. The vulnerability of Phoumi's force to an attack is suggested, however, [redacted] that Phoumi's commanders at Thakhek are defensive minded, lacking the stomach to fight. }

{ A four-day Buddhist festival--That Luang--beginning on 1 November and during which all government offices will be closed may provide a much-needed lull in which the various figures in the present conflict can reassess their positions. On the other hand, any of the parties involved might use the lull to take surprise action--for example, a renewed offensive by Kong Le against Phoumi or even a coup d'etat against the Souvanna government. } [redacted]

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Republic of the Congo: Renewed tribal fighting in southern Kasal Province, together with increasing friction between Katanga President Tshombé and UN officials in Elisabethville, have brought a further deterioration of conditions in the Congo interior.

[redacted] hostile tribesmen with whom "we consider ourselves to be at war" were given aid, including arms, by certain UN contingents near Leopoldville. According to press reports, as many as 5,000 pro-Kalonji irregulars who were moving against the Lulus on 29 October have been thwarted by UN forces. Their leader, a white man, and three Belgian advisers, reportedly were taken into custody.

In Katanga, where President Tshombé has been openly critical of the UN's failure to deal effectively with Baluba dissidents, relations have been further strained by unilateral UN efforts to mediate the tribal dispute. In a move described by the American consul as a "direct and defiant challenge to Tshombé," UN representative Dayal on 29 October dispatched a Baluba delegation including Tshombé's chief rival, Jason Sendwe, to meet with the Baluba dissidents. Tshombé, who had issued a decree on 27 October forbidding Sendwe to return to Katanga, warned the UN of "grave consequences" should he return. Tshombé then reiterated his determination to keep Sendwe out "at all costs."

The UN's announcement that a 15-nation conciliation committee will be sent to Leopoldville appears unlikely to have any immediate effect on the present political stalemate. Lumumba's African supporters--which include Guinea, Ghana, Morocco, and the UAR--are believed to have favored a smaller committee with membership weighted in favor of Lumumba.

[redacted] the UN "is still continuing in its plan, which is to isolate Mobutu in his barracks but not to eliminate him completely, since it might need him in the future to strike down a rising

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force." He added that "it is also clear that the UN's plan is aimed at weakening all (political) forces in order to gain control over them and impose a solution." [redacted]



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Countercoup in El Salvador May Be Attempted

An attempt may be made within a few days to unseat the six-man junta which assumed power in El Salvador following the ouster of President Jose Maria Lemus on 26 October, according to US Embassy sources. Military elements believed to be involved in the plot are reportedly led by General Manuel Cordova, army chief of staff under the Lemus regime and a reputed intriguer. While General Cordova is not believed to have a strong personal following, it is likely that he would be supported in a coup attempt by some military units outside the capital.

The US Army attaché in San Salvador reported on 28 October that the junta's control of the government continued to appear firm and he noted a widespread feeling among both civilians and the military that no countercoup would be attempted. He added, however, that a force of 200 men, 25 staff officers, and sufficient arms and ammunition were available in the capital for use by the dissidents, and even an abortive attempt to oust the present government could result in considerable bloodshed.

The alleged countercoup plans of the military group possibly are connected with recent indications that the new Salvadoran Government may be more tolerant of leftist activities than its predecessor was. On 27 October a number of exiled Communists and pro-Communists--including such figures as Jorge Shafik Handall, a well-known Communist in the national university in 1957, and Juan Jose Vides, a Salvadoran Communist party official in 1956--were permitted to return to El Salvador. In commenting on 28 October about a series of new appointments by the junta of leftists to high positions in the government, the US Embassy described the move as further strengthening "the far-left, pro-Castro tinge of the new government."

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