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9 December 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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9 DECEMBER 1960

## I. THE COMMUNIST BLOC

Top Soviet leaders privately imply Communist manifesto attack on US was concession to Chinese but does not change USSR's desire to improve relations with US.

USSR--Special party meeting to be held in Moscow just before 13 December central committee plenum on agriculture.

North Korea, with official endorsement from Moscow, continues campaign for Korean reunification.

## II. ASIA-AFRICA

New Japanese cabinet unites conservative party and improves chances for keeping factional rivalries under control.

Turkish interim President Gursel's illness, minimized in official statements, could have unsettling effect in Turkey.

Congo--Tension between UN officials and Mobutu regime may increase following Hammarskjold criticism of Congo leader.

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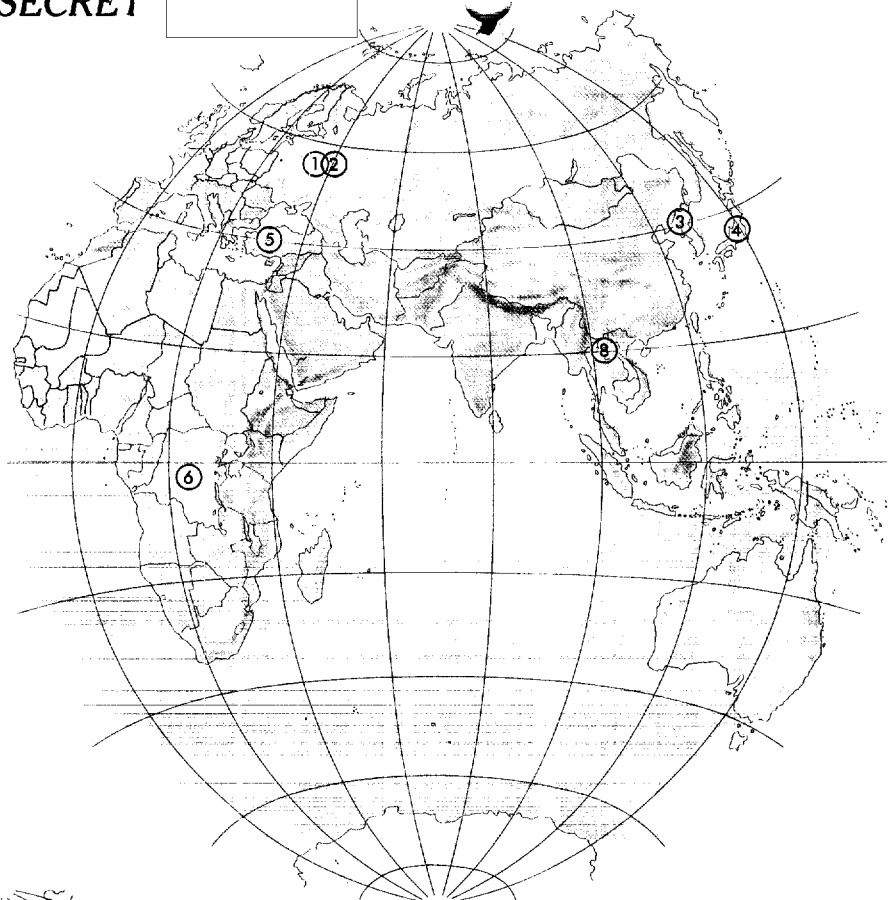
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## III. THE WEST

⑦ Chilean Government concerned over recent Soviet trade overtures.

## LATE ITEM

⑧ Situation in Laos.

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## CENTRAL INTELLIGENCE BULLETIN

9 December 1960

## DAILY BRIEF

## I. THE COMMUNIST BLOC

USSR: The first private comments by top Soviet leaders on the Moscow declaration of Communist parties point up the dilemma Moscow faces in seeking to preserve at least the facade of bloc unity by making concessions to Chinese Communist demands without jeopardizing the Soviet goal of arranging new top-level negotiations with the West. Mikoyan told Ambassador Thompson on 6 December that the declaration's virulent attack on the US had been a concession to the Chinese but emphasized this does not change the USSR's desire to improve relations with the US. In addition, presidium member Kosygin took refuge in the familiar pretense that this was a Communist party statement not binding on the Soviet Government and indicated that it would not affect Soviet policy toward the West. Kosygin also reaffirmed Moscow's desire to reach agreements and to establish good relations with the US. Ambassador Thompson reports that other Soviet officials have given the appearance of being both embarrassed and concerned by the anti-American tone of the declaration. [redacted] (Page 1)

USSR: A special party meeting will be held in Moscow shortly before the central committee plenum on agriculture scheduled for 13 December. [redacted]

[redacted] Since a wide variety of lower level officials will participate in the plenum, the Soviet leaders probably wish to brief key party officials in advance on planned agricultural decisions. Recent attacks in the Soviet press on Agriculture Minister Matskevich suggest that he may be blamed for the poor agricultural showing of the past two years and that the plenum may discuss a reorganization of his ministry as well as the formation of new agencies for agricultural administration. [redacted]

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North - South Korea: North Korea's propaganda campaign for North-South reunification continues, with worker rallies throughout the country acclaiming Pyongyang's offers to aid the South Korean economy. Moscow, in an official government statement issued on 7 December, also endorsed the North Korean position calling for reunification and economic contacts. [REDACTED]

[REDACTED] North Korean agents in South Korea to back up Pyongyang's propaganda by undertaking activities to influence the masses in the South. South Korean police capabilities suffered in the wake of the April revolution, but Seoul is now attempting to improve its counterintelligence effectiveness. [REDACTED]

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## II. ASIA-AFRICA

Japan: Hayato Ikeda, re-elected prime minister on 7 December by the new parliament, has at least temporarily united the conservative party and improved his chances of keeping factional rivalries under control by including in his new cabinet representatives of all major party factions. However, wrangling over selection of a speaker of the lower house, which delayed Ikeda's election two days, has marred his image as a skilled political leader and generated intra-party friction. The press, which previously refrained from strong criticism of Ikeda, has attacked his cabinet as "second rate," [and commentators see the new cabinet's tenure endangered by the "rapidly changing economic situation triggered by the US dollar protection measures." [REDACTED]

(Page 4)

Turkey: Turkey's interim President, General Gursel, is more seriously ill than reflected in official releases, and his absence for any extended period could have an unsettling effect in Turkey. Gursel suffered a circulatory ailment in late November, and his condition, while improved, remains [REDACTED]

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[critical. The regime is making a special effort to minimize domestic apprehension. During Gursel's absence, Deputy Premier Fahri Ozdilek, former chief of the Army General Staff, is the acting chief of state, closely supported by General Madanoglu, apparently the dominant member of the Committee of National Union. ]

) (Page 5)

Congo: [Tension between UN officials and the Mobutu regime may increase following Hammarskjold's criticism of the Congo leader at the Security Council session on 7 December, when he stated that technical and financial aid outside the UN framework were responsible for the rehabilitation of the Congolese Army and Mobutu's strengthened position.] In the Congo, the UN Command has reacted strongly against Mobutu's order to control the transport of UN military supplies which came soon after announcement of the impending withdrawal of Ceylonese, UAR, and Yugoslav forces. The Yugoslav action will deprive the UN Command of some of its necessary aviation maintenance men; the UAR withdrawal will strip the hard-pressed UN forces of 500 troops.

Colonel Mobutu has taken measures to attempt to seal off the Lumumba partisans in Orientale Province, and President Kasavubu has proclaimed a state of emergency in that province, probably in preparation for military intervention.

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### III. THE WEST

Chile-USSR: The conservative Alessandri government has expressed concern to the US Embassy in Santiago over Soviet trade overtures, particularly offers to supply petroleum at well below world prices and to purchase substantial quantities of copper. The offers, presumably made by Soviet representatives now in Chile, are presented as straight commercial transactions and not barter. Leftist politicians are

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probably fully aware of the Soviet trade offers and can be expected to press for increasing Chilean-Soviet trade, now less than one percent of the value of Chile's total trade. Chile has no diplomatic relations with the bloc.

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#### IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding two weeks)

Communist China: Current situation in industry and agriculture; stability and morale of the party; social conditions; military strength and potential nuclear capabilities; foreign relations with USSR, Africa, Asia, and attitude toward the US. Tables. NIE 13-60. 1 December 1960

Outlook for Greece: Political prospects of Karamanlis government; strength of Communist-controlled United Democratic Left; economic situation; foreign relations, particularly with US; and status of armed forces. NIE 32-60. 1 Dec 1960

Main trends in Soviet capabilities and policies, 1960-1965. NIE 11-4-60. 1 Dec 1960. 0026555.

Situation and short-term outlook in Laos: Strength, weaknesses, and intentions of the Souvanna government, Phoumi and the Revolutionary Committee, the King, Kong Le, and the Pathet Lao; repercussions in Southeast Asia. SNIE 68-60. 6 Dec 1960.

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~~TOP SECRET~~ **LATE ITEM**

\*Laos: Captain Kong Le with elements of his Second Paratroop Battalion and some armed support, has apparently regained control of Vientiane itself. Kong Le is reported to have arrested Col. Kouprasith, whose early morning coup on 8 December set in motion the struggle for control of the capital. Kouprasith's forces remain in control of Camp Chinaimo, a few miles south of Vientiane; they apparently have been joined by a company of paratroopers loyal to Phoumi which was dropped on 8 December some hours after the Kouprasith coup. Phoumi is said to be moving additional troops by air and overland to reinforce the elements at Chinaimo. When these reinforcements arrive, a showdown struggle between the opposing forces is probable, with Pathet Lao forces possibly interceding on Kong Le's behalf.

Some twenty National Assembly deputies left Vientiane and went to Camp Chinaimo just before the Kouprasith coup, and are thus available for an assembly vote of no confidence against Premier Souvanna Phouma. There is a possibility, however, that Souvanna may seek to counteract any such plan with a new diversionary initiative of his own, such as a UN appeal based on charges of "foreign interference."

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~~SECRET~~Soviet Leaders Comment on Moscow Declaration

The first private comments by top Soviet leaders on the Moscow declaration of Communist parties point up the problem Moscow faces in seeking to preserve at least the facade of bloc unity by making concessions to Chinese Communist demands without jeopardizing the Soviet goal of arranging new top-level negotiations with the West. First Deputy Premier Mikoyan told Ambassador Thompson on 6 December that the declaration's virulent attack on the US had been a concession to the Chinese but emphasized that this would not change the USSR's desire to improve relations with the US. He observed to the Swiss ambassador that the USSR had a "tough negotiating partner."

The concern of Soviet leaders not to allow the militant line of the declaration to nullify recent gestures toward the US was also evident in First Deputy Premier Kosygin's resort to the familiar pretense that this was a Communist party statement not binding on the Soviet Government and that it would not affect Soviet policy toward the West. He stated that Moscow was not only prepared but anxious to reach agreements and establish good relations with the US.)

As the formal meetings were ending and the documents already completed, Khrushchev made a point of reassuring Ambassador Thompson of his desire to improve relations with the US and quietly explore the question of Germany and Berlin. At the same time, the Soviet UN delegation embarked on a series of maneuvers to clear the way for establishing top-level contacts with the new US administration at a special session of the General Assembly on disarmament next spring. In addition, Moscow and most of the satellites went to some lengths to indicate, by propaganda comments and friendly gestures, that the declaration's harsh attack on Yugoslav revisionism did not signify a shift in the Soviet policy 7

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[redacted]  
[of maintaining correct governmental relations with Belgrade, despite the ideological dispute.]

[redacted]  
the main result of the meeting for Soviet policy appears to be a compromise which grants Khrushchev a period of grace and a relatively free hand to demonstrate the effectiveness of his policy in another round of negotiations.

[redacted] East German party officials were informed that the Moscow conference did not result in any change in Khrushchev's intention to resolve the Berlin question through an early summit meeting. Khrushchev reportedly prevailed in the argument with the Chinese over the advisability of summit diplomacy.]

[Although the declaration's formulations for the most part are Soviet in tone and reaffirm Soviet primacy in the bloc, the concessions to Chinese viewpoints could reduce Khrushchev's over-all freedom of action. The general tone of attacks on the West, the US in particular, and the advocacy of more aggressive tactics in the underdeveloped areas appear to commit the USSR to maintain its recent assertive stand on such issues as Cuba, the Congo, Algeria, and "anti-colonialism" in general. In particular, the Chinese appear to have been successful in extracting a more extensive commitment for further bloc consultations and in precluding a return to the atmosphere which Khrushchev sought to create following his visit to the US in 1959, typified by "Camp David spirit" pronouncements.]

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North Korea S [redacted] es Reunification Rallies

North Korea's propaganda bombardment on North-South reunification continues, with worker rallies shouting support for Pyongyang's offers to aid the South Korean economy. In one North Korean city, laborers pledged themselves to send 400,000 bags of grain, 50,000 suits of clothes, and "various necessities to the hunger-stricken peasants" in four nearby South Korean communities. This gesture is typical of the specific North Korean aid offers being given unprecedented publicity by Pyongyang in an attempt to stir Southern dissatisfaction, stimulate interest in North-South contacts, and ultimately focus popular pressure on the South Korean Government.

All the items offered by North Korea are advertised as a preview of the affluence South Koreans could expect if they should support reunification under Pyongyang's terms. These terms include withdrawal of US and UN forces and general elections without supervision by the United Nations. The North Koreans are not making the aid offers contingent on acceptance of their demands.

UN General Assembly discussion of the Korean issue may provide the bloc with an opportunity to draw Afro-Asian attention to Pyongyang's campaign. The USSR issued an official statement on 7 December giving vigorous support to North Korean proposals to reunify North and South or, if that is impossible, to form a loose North-South federation for economic and cultural exchange. The Soviet statement attacked US refusal to withdraw its troops from South Korea as "the main obstacle to Korean unification," and called on the UN to allow both North and South Koreans to participate in the discussion. [redacted]

[redacted] agents in the South to back up the propaganda and "win over the masses." Activities in this area may not be too rewarding for the North Koreans, however, for Seoul is attempting to improve the effectiveness of its counterintelligence services, which were drastically reorganized after the April revolution.

Despite growing public concern with the problem of a divided Korea, the majority of South Koreans remain unsympathetic to Pyongyang. [redacted]

[redacted]

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~~SECRET~~New Japanese Government

Hayato Ikeda, re-elected prime minister on 7 December, has at least temporarily united his conservative Liberal-Democratic party (LDP) and improved chances for his government's stability by including in his new cabinet representatives of all major party factions. However, wrangling over selection of the speaker of the lower house, which delayed Ikeda's election two days, has marred his image as a political leader and generated interparty friction. Although the distribution of power in the LDP cannot be finally determined until powerful party posts have been filled, the core of Ikeda's support appears to come from the same factions that dominated the government of former Prime Minister Kishi.

The press, which refrained from strong criticism of Ikeda's first cabinet last July on grounds that it was only a "caretaker" government, immediately attacked the new cabinet as "second rate" and accused Ikeda of surrendering to factional pressures. He has retained strong incumbents in the important foreign, labor, finance, and education ministries but has not included any faction leaders. As a result, some observers are predicting another cabinet reshuffle after the next regular session of the Diet ends in the spring. Foreign Ministry officials believe the current special session of the Diet will be devoted to a wholesale attack on Ikeda's economic program--an attack in which his intraparty rivals may join.

[ Ikeda told a press conference on 8 December that his goal of doubling Japan's income in ten years would not be affected by decreased US dollar expenditures abroad, but high government and Bank of Japan officials believe that Japan will be affected severely and that an economic retrenchment will be required. They estimate that US moves announced thus far will cost Japan between \$200,000,000 and \$300,000,000 annually, sufficient to eliminate the nation's favorable balance of international payments unless offset by an increase in exports. Foreign Minister Kosaka, reflecting widespread press, business, and even some government sentiment for restoration of trade with Communist China, said after his reappointment that some "economic intercourse" with Communist China is desirable.]

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~~SECRET~~Interim President of Turkey Critically Ill

General Gursel's absence from the government for an extended period could have an unsettling effect in Turkey and delay restoration of a civilian regime unless active leadership is passed to another member of the Committee of National Union (CNU). The interim President, who [redacted] remains in critical condition as a result of a serious circulatory ailment which he developed in late November, faces a long recovery period and may have to withdraw completely from the affairs of state. Gursel, who has successfully projected a "father image" to many Turks, had emerged as a prime contender for the presidency of the "second republic"--to be established after the ratification of a new constitution and following national elections which have been promised prior to November 1961. |

Deputy Premier Fahri Ozdilek, former chief of the Army General Staff, apparently is unofficially the acting chief of state, with General Madanoglu, apparently the dominating figure on the Committee of National Union, in close support. Ozdilek was commanding general of the First Army and martial law commander in Istanbul at the time of the 27 May coup. He is credited with having prevented major disturbances and loss of life in Istanbul during the uneasy pre-coup period. |

Ozdilek reportedly knew of the intended coup but was not a participant, although he is credited with expeditiously delivering Turkey's largest city to the insurgents. In early June he was named minister of defense and on 22 October became deputy premier and minister of state. The 62-year-old general is regarded [redacted] as competent but not particularly dynamic. His age and army experience probably make him Gursel's closest associate in the CNU. |

Official news releases regarding Gursel's illness have been designed primarily to minimize popular apprehension regarding his health. Plans for the early convocation of a representative constituent assembly will be postponed pending Gursel's full recovery or abdication. [redacted]

[redacted]

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Situation in the Congo

Friction between UN officials and the Mobutu regime appears to be mounting. [At the 7 December meeting of the Security Council, Secretary General Hammarskjold criticized Mobutu, claiming that the rehabilitation of the Congolese Army and Mobutu's present position resulted from technical and financial aid given outside the UN framework. He reiterated that the UN could not deal with Mobutu because he was "outside the constitutional framework" of the Congo.]

Colonel Mobutu has aroused considerable international opposition by his imprisonment and alleged ill treatment of former Premier Lumumba. On 2 December Ghana, India, and Morocco protested to Hammarskjold about this treatment, and more recently there have been popular protests in Ethiopia and Nigeria. [Mobutu has now agreed to permit a Swiss doctor to visit Lumumba, provided he is also permitted to visit several Congolese officials being detained by Lumumba supporters in Stanleyville.]

In the Congo, the UN Command quickly rejected Mobutu's demand of 8 December that surface transportation be restricted to movement of food and medical supplies of the UN. They claimed that such a restriction would paralyze UN activities at a time when the UN's transport problem was becoming acute. The announced departure of Yugoslav aviation maintenance personnel will handicap air operations.

Leopoldville officials have recently taken several political and military measures against Lumumba's supporters in Stanleyville. President Kasavubu has proclaimed a state of emergency in Orientale Province, but this proclamation appears to have little more than psychological value. Mobutu has sent a small force of paratroopers to the border area of Equateur Province, where pro-Lumumba groups from Orientale are reported to have attacked several villages. In an 8 December message, the paratroop commander reported to Mobutu that the situation was calm.

[redacted] any UN orders to intervene

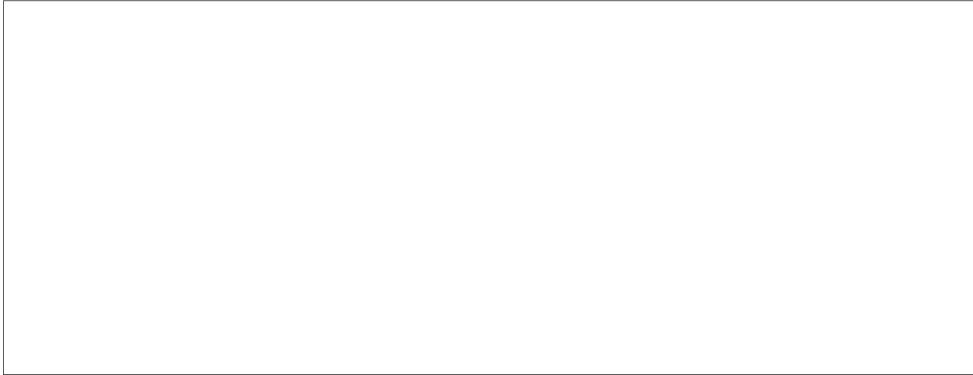
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between pro- and anti-Lumumba elements would be ignored. He indicated that his forces were giving clandestine assistance to pro-Lumumba elements there.

Meanwhile, [redacted] there is much conflict in Stanleyville between various factions supporting Lumumba. Deputy Premier Gizenga, Louis Lumumba, and Bernard Salumu appear to be involved in a struggle for power, with Salumu at present gaining the upper hand. Reportedly, there is a change of African officials daily, and some supporters of Louis Lumumba and Gizenga have been seized and thrown into the Congo River. [redacted]

[redacted]



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~~CONFIDENTIAL~~Chilean Concern Over Soviet Trade Overtures

The conservative Chilean Government has told the US Embassy in Santiago of recent Soviet trade overtures, presumably made by two Soviet representatives now in Chile, to supply petroleum well below world prices and purchase substantial quantities of copper ingots and semi-finished copper products. The offer is presented as a straight commercial transaction, not barter.

Chilean leftist politicians are believed to be fully aware of the Soviet offers and are expected to publicize them soon in an effort to press for increasing Chilean-Soviet trade, now less than one percent of Chile's total trade. There are already growing leftist demands to establish commercial and diplomatic relations with the bloc.

Oil, a state monopoly, is a relatively new industry in Chile, and the country's two refineries produce about 60 percent of its needs. Venezuela has been Chile's only source of crude oil.

The Chilean Government is not in principle opposed to trade with the bloc, and it has been liberal in granting visas to bloc cultural and trade representatives. Previous Sino-Soviet bloc offers to purchase substantial quantities of copper have not been accepted, however, largely because about 90 percent of Chile's copper production comes from US-owned mining companies and because of the bloc's preference for barter arrangements.

Chile has no diplomatic relations with the bloc.

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~~SECRET~~The Situation in Laos

Captain Kong Le, with elements from the Second Paratroop Battalion and some armored support, apparently regained control of the town of Vientiane in the evening of 8 December. Some hours after Col. Kouprasith's early morning coup, Kong Le is reliable reported to have fled Vientiane in the company of a ranking Pathet Lao military leader, which may suggest that Pathet Lao elements were in his force when he retook the town that evening. Kong Le is reported to have placed Kouprasith under arrest; however, the units which supported Kouprasith in his coup apparently remain at Camp Chinaimo, a Lao army base a few miles south of Vientiane.

A company of paratroopers taken from the pro-Phoumi Luang Prabang garrison was dropped near Chinaimo in mid-afternoon on 8 December; they have presumably joined forces with the units at Chinaimo. With Kouprasith's arrest, leadership of these units may have passed to officers more reliably loyal to General Phoumi and his Savannakhet group. Phoumi reportedly plans to drop another company of paratroopers and to bring a battalion of infantry overland from Pak Sane, which was captured on 18 December by Phoumi elements advancing from Pak Ca Dinh. When these units arrive, a showdown struggle between the opposing forces is probable, with the Pathet Lao possibly interceding on Kong Le's behalf.

Just prior to the Kouprasith coup, some twenty deputies from the National Assembly gathered at Camp Chinaimo, from where it would be an easy matter for them to slip across the river into Thailand. Combined with an approximately equal number already out of Vientiane, more than enough deputies necessary for an assembly quorum would now appear to be available for a session either in Luang Prabang or Savannakhet for the purpose of registering a no-confidence vote against Souvanna Phouma.

Throughout the confusion of 8 December, Souvanna showed no sign of being ready to resign, and with characteristic adeptness chose to consider both the Kouprasith coup and the

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Kong Le countercoup as affirmations of support for his government. He almost certainly is concerned over the fact that the presence of the deputies at Chinalmo poses a threat of an imminent assembly no-confidence vote against him, however, and this could lead him to attempt some new initiative in return. Soviet Ambassador Abramov is reported to have intimated to the French counselor on 7 December that "someone" would be making an appeal in the near future to the UN Security Council. [REDACTED]

[REDACTED]

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