

27 AUGUST 1960

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

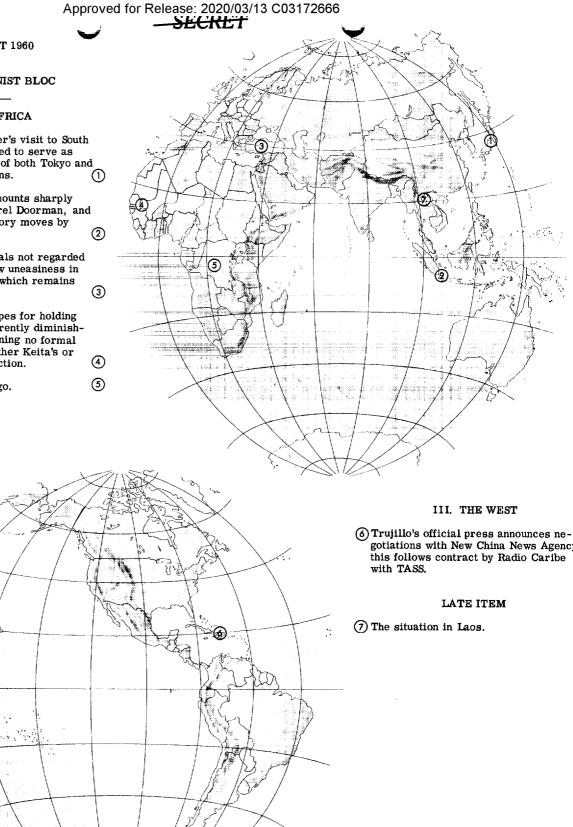
Japanese foreign minister's visit to South Korea next month intended to serve as demonstration of desire of both Tokyo and Seoul to improve relations.

Indonesian resentment mounts sharply over Dutch plans for Karel Doorman, and may lead to new retaliatory moves by Djakarta.

Turkish cabinet dismissals not regarded as reflecting split or new uneasiness in National Unity Council, which remains the real government.

Mali Premier Keita's hopes for holding federation together apparently diminishing; Hammarskjold planning no formal action at this time on either Keita's or Senegal's pleas for UN action.

The situation in the Congo.



gotiations with New China News Agency; this follows contract by Radio Caribe



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Japan - South Korea: Japanese Foreign Minister Kosaka's scheduled visit to South Korea starting on 6 September is intended to serve as a demonstration of the desire of both Tokyo and Seoul to improve relations now that both countries have new governments. The repatriation of Korean residents in Japan to North Korea continues to be the immediate obstacle to the settlement of outstanding differences between the Japanese and South Koreans, and Kosaka probably will try to work out some agreement on this issue. (Page 1)

Indonesia: Indonesian resentment over the Dutch plan to send the aircraft carrier Karel Doorman back to West New Guinea in mid-September after its visit to Japan is mounting sharply, and may lead to new retaliatory moves by Djakarta. The Indonesian Government regards the planned return visit as a military challenge in retaliation for Djakarta's breaking off relations with the Netherlands on 17 August, which itself was a retaliatory move by Indonesia against the Karel Doorman's present visit to New Guinea. An Indonesian cabinet minister has warned that Djakarta may nationalize the partially Dutch-controlled Shell oil company, a move which President Sukarno had earlier reluctantly decided against. (Page 2)

Turkey: The dismissal on 25 August of ten members of the 18-man Turkish provisional cabinet appears primarily part of the effort by the National Unity Committee (NUC) to replace technicians in the cabinet with men who have demonstrated leadership



and who are reform-minded. Cabinet changes had been expected for some time, and the dismissals are not regarded as representing any split or new uneasiness on the part of the NUC, which remains the real government. Although Foreign Minister Sarper was not among those relieved on 25 August, his ministry has come under press attack and he also may be relieved.

<u>Mali Federation</u>: Mali Premier Modibo Keita--who is also premier of Soudan--apparently believes his chances of nullifying Senegal's 20 August "secession" from the federation are diminish ing. He is accusing France of supporting Senegal, and is moving to improve relations with the neighboring Ivory Coast, toward which Soudanese nationalists have recently been cool. Keita has also now publicized a threat to support the Algerian rebels as well as his request for a UN Security Council meeting and the dispatch of troops by the UN. Secretary General Hammarskjold, however, hopes the situation will cool off without UN action, and plans for the time being to take noformal action with reference either to Keita's request or to Senegal's earlier plea for UN membership.

(Page 3)

<u>Republic of the Congo</u>: Lumumba's 26 August demand that the UN withdraw from the Congo "as soon as the Belgians have withdrawn" may reflect the view that he would have a freer hand in dealing with his opponents if the UN presence were withdrawn. Like other Lumumba statements, however, it may have been made primarily for effect. Brussels has stated that, except for technicians at its air bases, all Belgian troops will be withdrawn by 30 August. It appears doubtful, however, that this date will be met.

The agreement between Katanga President Tshombe and Kasai rebel leader Kalonji to "federate" their two dissident provinces continues recent efforts to coordinate action by Lumumba's opponents. Tshombe's reported offer to send "a few" companies of Katanga soldiers to Kasai increases the possibility of clashes in the area, Lumumba having airlifted between 600 and 1,000 soldiers to southern Kasai on 23-24 August. (Page 5)

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III. THE WEST

<u>Dominican Republic:</u> The longer Trujillo remains in power, the greater will be the chances of his being succeeded by an anti-US, pro-Castro regime. The US Embassy in Ciudad Trujillo fears Trujillo will liquidate the leadership of the moderate and democratically inclined opposition, use government-sponsored pro-Cuban and pro-USSR propaganda to stimulate the pro-Castro sentiment already evident among youths and students, and leave a heritage of financial ruin for any incoming government. Trujillo's official press announced on 25 August that negotiations were under way with the New China News Agency so that "the impartial information supplied by the Chinese press organization" will keep readers "better informed." This follows the contract by Radio Caribe with TASS to begin supplying "news" beginning 29 August.

LATE ITEM

*Laos: Some obstacles to implementation of the 23 August agreement between premier-designate Souvanna Phouma and General Phoumi appear to have been removed. While a full settlement between the contending regimes at Vientiane and Savannakhet is still far from assured, both sides have become sufficiently encouraged to schedule an early meeting of the National Assembly--reportedly for 29 August--at the royal capital of Luang Prabang. Scheduling of an assembly session to thrash out their political differences is presumably based on their supposition--possibly over optimistic--that in the interim Captain Kong Le will have been brought under adequate control in Vientiane. (Page 7)

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Japanese Foreign Minister to Visit South Korea

The principal purpose of Japanese Foreign Minister Kosaka's good-will mission to South Korea set for 6 September will be to demonstrate the desire of both Japan and South Korea to improve relations, now that both have new governments. Prime Minister Chang Myon in Seoul has expressed optimism that outstanding differences can be solved and hopes negotiations for the normalization of relations will soon be resumed. Seoul's new leaders generally are committed to reversing former President Rhee's intransigent policy toward Japan.

(The Japanese Government, trying to increase its public support before the election this fall, hopes the mission will pave the way for negotiations leading to normal relations. Kosaka would like to set the stage for talks on a fisheries conservation agreement to replace the controversial "Rhee line"; there was a public outcry in Japan following recent seizures of Japanese fishing boats within the line by the South Korean Coast Guard. The new Ikeda cabinet has publicly suggested a program of economic assistance to South Korea.

A primary obstacle to a settlement of differences has been the Japanese program for the voluntary repatriation of Koreans in Japan to North Korea, under which about 35,000 have already been resettled. Chang Myon has expressed strong objection to talks which began in Niigata on 26 August between officials of the Japanese and North Korean Red Cross to determine conditions for extension of the repatriation agreement, which expires on 12 November. [Kosaka will probably try to convince the South Korean Government to accept some repatriates and may offer some resettlement assistance as an inducement, in the hope that an understanding on repatriation will open the way for resolving the "Rhee line" issue.]

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New Wave of Indonesian Resentment Over Dutch Return Visit to New Guinea

Indonesian officials are newly outraged at the prospect that Dutch naval units now visiting West New Guinea may pay a second visit there in mid-September. A cabinet minister has warned that, in retaliation, Indonesia may nationalize the partially Dutchcontrolled Shell oil company, action which President Sukarno had earlier decided against.

The Dutch naval units, consisting of the aircraft carrier Karel Doorman and two destroyers, arrived in New Guinea--which is claimed by Indonesia--on 2 August. They are scheduled to visit Japan from 6 to 11 September and then will return to New Guinea before continuing their voyage.

Indonesia has repeatedly warned the Japanese Government against permitting the Karel Doorman to visit Yokohama, claiming that trade and economic relations between the two countries could be adversely affected. Japan has unsuccessfully requested the Netherlands to reconsider the visit, and the Japanese ambassador to Indonesia has recently urged his government to cancel the visit.

Indonesia regards the Karel Doorman's return visit to New Guinea as a military challenge in retaliation for Djakarta's breaking off relations with the Netherlands on 17 August. This action was itself a retaliatory move against the present Dutch visit. Indonesian bitterness over the Karel Doorman is intensified by the general frustration caused by serious internal economic and political difficulties.

the matter could even affect the wider field of Indonesian orientation toward the Soviet bloc, giving Sukarno a final nudge toward full reliance on the bloc to implement the nation's eight-year development plan.



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Situation in Mali

Modibo Keita, premier of the Mali Federation as well as the Soudan, is adopting a more extremist line, apparently in the belief that his chances of forcing Senegal's return to the federation are diminishing. His latest actions are likely to provoke tension with France. He has accused Paris of refusing to honor the French-Mali agreements and to respect the territorial integrity of the federation, and now claims that "French military activists" are responsible for the situation. Furthermore, he has threatened to support the Algerian rebels--an action without precedent among the French Community states.

Keita stated on 25 August that he would discuss the situation with De Gaulle when emotions in the Soudan have calmed down. Premier Dia of Senegal has already returned to Dakar from talking with De Gaulle and has expressed satisfaction with the discussions. (However, French Foreign Minister Couve de Murville is pessimistic about any reconciliation of Senegal and Soudan and doubts that Keita will visit Paris.)

Meanwhile, Keita is improving his relations with the neighboring Ivory Coast in order to assure the landlocked Soudan of port facilities at Abidjan. For some time, the nationalist extremists of Soudan have mistrusted the pro-French attitude of Ivory Coast leader Houphouet-Boigny, but they now may be willing to try for Ivory Coast support by playing upon the bitter political rivalry between Houphouet-Boigny and Senegal leader Leopold Senghor. The Ivory Coast leaders have adopted a "wait and see" attitude publicly while planning to send unofficial emissaries secretly to Bamako in an effort to forestall the danger of a Soudanese turn to Guinea and the Sino-Soviet bloc. So far, there has been no public official reaction in Guinea to the Mali breakup.

Keita on 25 August publicized his efforts to obtain UN intervention. Earlier he had made indirect appeals for a meeting of

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the Security Council and the dispatch of troops. Secretary General Hammarskjold, however, hopes that the situation will cool off before the UN becomes involved, and he does not now plan to take any formal action on either Keita's request or Senegal's earlier plea for UN membership, although he has circulated both among UN members. The secretary general can on his own initiative call a Security Council meeting if he considers that a threat to world peace exists--as charged by Keita. Otherwise, he acts in response to a request of a member nation of the United Nations.

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The Situation in the Congo

Lumumba's 26 August demand that the UN pull out of the Congo "as soon as the Belgians have withdrawn" may reflect the view that he would have a freer hand in dealing with his opponents if the UN presence were removed. Like other Lumumba statements, however, it may have been made largely for effect. To date the UN command has avoided becoming involved in "internal" Congo affairs such as Lumumba's feud with Katanga President Tshombé.

Nonetheless, Lumumba's threat raises the possibility of a new showdown with the UN, and may inspire Brussels to procrastinate further in its troop withdrawal from the Congo. (In requesting American assistance in the airlifting of its troops from the Congo, Brussels has implied that it may not be able to meet its announced 30 August date for the evacuation of all except air base technicians.)

The agreement between Tshombé and rebel leader Kalonji of Kasai Province to "federate" their two provinces continues recent efforts by Lumumba's opponents to coordinate action. They probably feel that such action will lend substance to their espousal of a Congo confederation; the new alliance may be joined by elements of the Abako party, representatives of which met with Tshombé in Elisabethville over the week end of 20 August.

Tshombé's offer to send "a few" companies of Katanga soldiers to Kasai increases the possibility of clashes in the area, Lumumba having airlifted between 600 and 1,000 men into southern Kasai on 23 and 24 August. Kalonji stated to the press that his relations with UN troops in the area were "good but indifferent," adding, "They don't leave the airfield and are getting fat."

Tension continues high in Leopoldville as the foreign ministers' conference met for the second day. Ambassador Timberlake reported on 24 August that he expected the security situation in Leopoldville to worsen, as a result of both the UN

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Command's failure to take over responsibility for security and Lumumba's provocative use of Congolese troops in harassing his political opponents. The American army attaché reports that, except for scattered Moroccan units, only the Irish UN contingent in Kivu Province has established effective control in –its area.

According to a recent reliable report, Soviet officials are providing funds for the permanent housing of the Congolese UN delegation in New York. This is in line with previous information on private assistance--for example, the USSR paid Lumumba's hotel bill during his early August stopover in New York-which in addition to overt announced aid indicates a Soviet effort to involve Congolese leaders in a personal obligation toward Moscow.

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Situation in Laos:

General Phoumi, leader of the countercoup forces in Savannakhet, reached agreement on 26 August by telephone with General Ouane in Vientiane over the procedures to be applied in the dispensation of pay and rice to the Laotian Armed Forces. Under this agreement, pay for troops loyal to Phoumi--in effect all except those in the Vientiane area--will be channeled through Phoumi's headquarters after release from the treasury in Vientiane. To gain this concession, of considerable importance in terms of prestige, Phoumi abandoned his previously adamant objection to the proposed use of Vientianecontrolled Air Laos planes to transport rice to his troops.

Agreement on these points has removed the initial stumbling block to implementation of the Souvanna-Phoumi understanding of 23 August. While a final solution is still far from assured, both sides have become sufficiently encouraged to schedule an early session of the National Assembly--reportedly for 29 August--at the royal capital of Luang Prabang. The most likely upshot of such a session would be the formation of a new government fusing both the Souvanna and the Phoumi groups. In scheduling the session, both sides are apparently proceeding on the assumption that in the interim Captain Kong Le will have been brought under adequate control in Vientiane.

Ouane admitted to the American army attaché on 25 August that in carrying out his responsibility for establishing the defense of Vientiane under the Souvanna-Phoumi agreement his big problem was Kong Le. Ouane said that Kong Le trusts nobody and that he has had to use extreme care and move slowly in his dealings with him. Ouane is expecting momentarily the arrival of Colonel Sourith, Kong Le's nominal chief as commander of Laos' airborne forces. Sourith will attempt to reestablish his personal control over Kong Le's paratroopers.

Ouane, claimed that he was slowing re-arming infantry troops in Vientiane and disarming

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civilians armed by Kong Le, but there is little firm evidence that he has in fact succeeded in getting Kong Le under control.

Prince Souphannouvong, titular leader of the pro-Communist Neo Lao Hak Sat, has broadcast another attack over the Pathet Lao clandestine radio against the Souvanna-Phoumi accord and branded the Phoumi "clique" as "US reactionary lackeys" who must be opposed by the Laotian people. He warned the troops in Vientiane, singling out Kong Le's paratroopers for special attention, that they must be prepared to fight for the fruits of their coup--a new government which would "follow the path of genuine peace and neutrality, end the civil war, and promote national concord."



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The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

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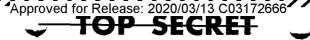
The Director

National Indications Center

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