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26 August 1960

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CENTRAL

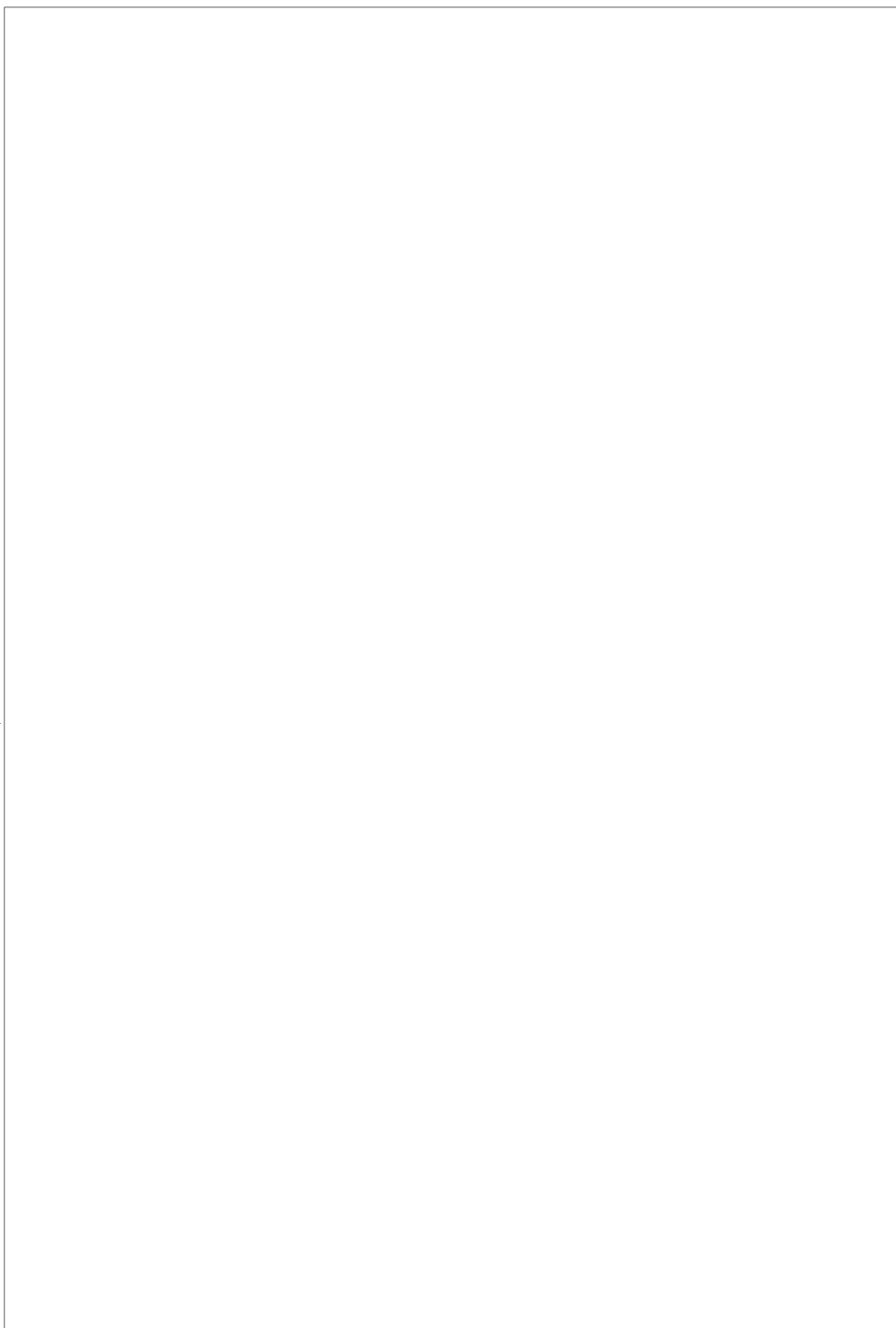
INTELLIGENCE

BULLETIN



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26 AUGUST 1960

I. THE COMMUNIST BLOC

Communist China's foreign minister seeks private talks with Turkish and Iranian ambassadors in Afghanistan. ①

Communist China's tight food situation prompts reaffirmation of priority for agriculture. ②

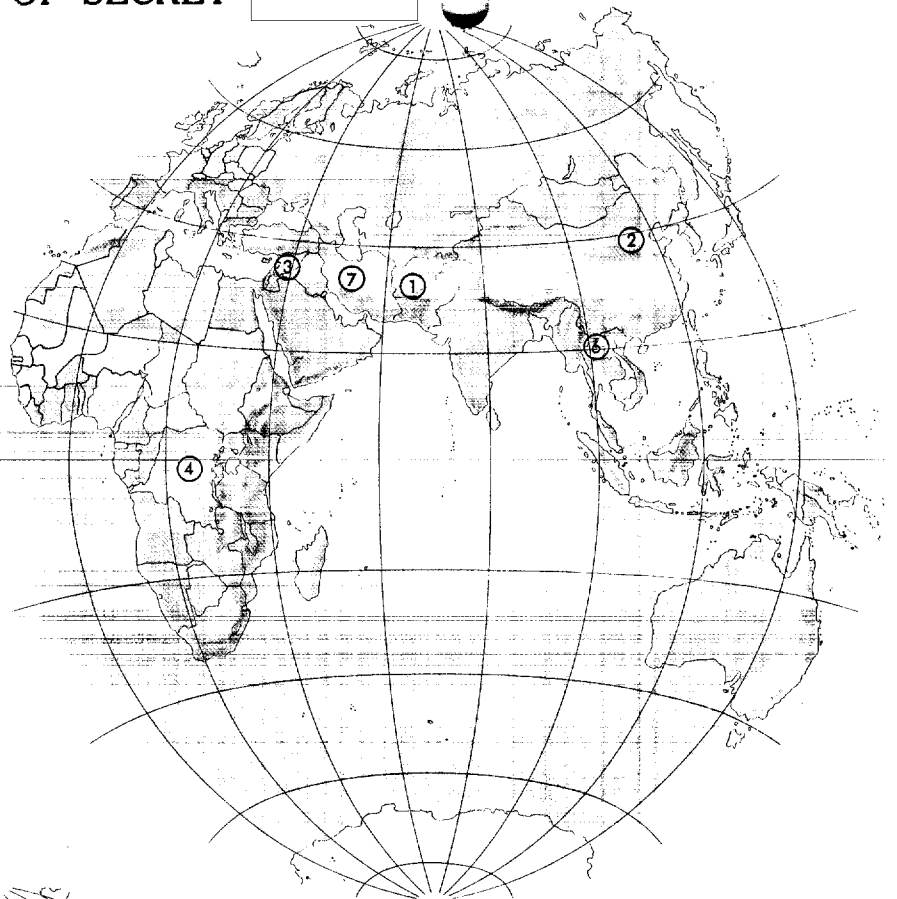
II. ASIA-AFRICA

Anti-Nasir Syrian in Jordan expects coup plans to be ready early in September. ③

The situation in the Congo. ④

III. THE WEST

Dominican Republic reported making preparations for military action against Haiti. ⑤



LATE ITEMS

⑥ The situation in Laos.

⑦ Iranian Shah ready to act on election irregularities; may dismiss Egbal.



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CENTRAL INTELLIGENCE BULLETIN

26 August 1960

DAILY BRIEF

I. THE COMMUNIST BLOC *Local*

Communist China - Turkey - Iran: Chinese Communist Foreign Minister Chen Yi, currently in Afghanistan, has expressed a desire for private conversations with the Turkish and Iranian ambassadors resident in Kabul, [redacted] *no*

[redacted] Peiping has portrayed the recent coup in Turkey as a successful "anti-imperialist struggle" and probably feels the time is ripe to encourage closer relations with those Middle Eastern countries which have been hostile or lukewarm toward the Chinese Communist regime.

[redacted] (Page 1)

Communist China: Concern for an increasingly precarious food situation appears to have forced Peiping to make a number of important decisions on domestic economic policy, including an increase in the relative priority accorded agriculture. People's Daily on 25 August stated that agriculture must be placed in the "most important position" as a long-term, rather than temporary, policy in China's socialist construction. Top planner Li Fu-chun in the latest issue of Red Flag ascribes to agriculture more importance than has hitherto been noted from an authoritative regime spokesman. An earlier article in the Chinese provincial press stated that, if necessary, the pace of industrial expansion would be slowed to permit a greater investment in agriculture. [redacted] *ok*

II. ASIA-AFRICA

Jordan-Syria: Retired Syrian Army Colonel Khalid Jadah, leader of a group which is seeking the support of Jordan's King Husayn for an anti-Nasir coup in Syria, has informed the King *no*

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[that the group expects to reach the "final planning stage" during the first week in September, [redacted]

[redacted] According to earlier reports, the conspirators have asked Husayn to give them financial support and to intervene if the UAR or Iraq should attempt to thwart the coup by military means. [redacted]

Republic of the Congo: The opening of a conference of African foreign ministers in Leopoldville has been accompanied by increased local unrest and threats of new violence. An estimated 1,000 Congolese--probably part of Leopoldville's 50,000 unemployed--staged an anti-Lumumba demonstration on 25 August which was broken up by police. At the same time, UN troops at the Leopoldville airport prepared for a possible Congolese attempt to reoccupy the airport, which was placed under UN control on 21 August.

About 1,000 Congolese soldiers have been airlifted to towns in Kasai Province near the Katanga border, in a move to block the establishment of a new province in Kasai and possible with a view toward invading Katanga. Although Lumumba probably hopes that this move will be endorsed by the visiting foreign ministers, there are indications that most African states deplore Lumumba's baiting of the UN and are not disposed to support his military ventures. [redacted] (Page 3)

III. THE WEST

Dominican Republic - Haiti: [redacted]

[redacted] reported preparations for Dominican military action against Haiti may be part of a Dominican attempt to intimidate Haiti or to reinforce the border to prevent any invasion by anti-Trujillo forces using Haiti as a base. Haiti, the country most vulnerable to Dominican retaliation for the unanimous OAS vote condemning and applying sanctions against the Trujillo regime, cast its vote despite prior Dominican threats. One of these threats, the forced repatriation of Haitian laborers, is already being carried out. [redacted] (Page 5)

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DAILY BRIEF

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IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Main Trends in Capabilities and Policy, 1960-1965. Annex A,
Text of Sino-Soviet Bloc Military Strengths and Characteristics of
Selected Weapons and Equipment. NIE 11-4-60. 16 August 1960. no

[]

Short-term Trends in South Vietnam: Political and Security
Problems and Probable Trends Over Next Year. SNIE 63. 1-60.
23 August 1960. []

LATE ITEMS

*Laos: New developments in the Laotian crisis seriously
jeopardize prospects for a settlement along lines of the agree-
ment reached on 23 August between premier designate Souvanna OK
Phouma and General Phoumi. The Pathet Lao radio has criticized
the agreement as dangerously undercutting the Souvanna govern-
ment's authority and has called on all Laotians to oppose the "Phoumi
rebel clique." On 25 August Phoumi is said to have stated that
Souvanna was not keeping his word and obviously was not master
of the situation in Vientiane. The agreed procedure for regularizing
military control over Vientiane is snagged on rebel paratroop
Captain Kong Le's reported demand for retention of effective
command in the area, and there are indications that Phoumi is
continuing to move his troops into position around the capital.

[] (Page 7)

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DAILY BRIEF

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*Iran: The Shah is under considerable pressure to declare the current parliamentary elections invalid because of widespread irregularities. [redacted]

[redacted] the Shah will announce publicly on 27 August that he intends to take legal corrective action. He may dismiss Prime Minister Eqbal "in the immediate future." The Shah then apparently hopes that the new parliament will pass new electoral law which would be the basis of another election. [redacted] such an action would tend to strengthen his position by shifting the responsibility for the flagrant rigging of the current elections onto the prime minister. Although the more sophisticated Iranian politicians will see the maneuver for what it is, the move would probably be generally well received as an indication of the Shah's desire to carry out his widely publicized promise of free elections. [redacted]

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DAILY BRIEF

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~~TOP SECRET~~ Peiping Approaches Turkish and Iranian Representatives

Chinese Communist Foreign Minister Chen Yi, currently attending the Afghan independence celebrations, has expressed a desire for private conversations with the Turkish and Iranian ambassadors resident in Kabul. This is the first known approach Peiping has made for direct talks with either government, although in 1956 it made a trade overture to Turkey through the Hungarians.

The Chinese probably feel the time opportune for encouraging closer relations with those Middle Eastern countries which have remained hostile or lukewarm toward the Peiping regime. Chinese propaganda has characterized the recent coup in Turkey as a successful "anti-imperialist struggle" and Mao Tse-tung has referred to it in glowing terms in conversations with visiting neutralist delegations.

Peiping has made several efforts recently to improve its foreign elections with Asian countries. It has softened its approach to Indonesia over the problem of Overseas Chinese, has signed preliminary border agreements with Burma and Nepal, and has renewed its proposal for an "atom-free" zone in the Pacific. During his current trip to Kabul, Chen Yi hopes to negotiate a nonaggression treaty and technical aid agreement with the Afghans. In approaching Turkey and Iran, the Chinese probably hope that a show of good will from a Chinese official of Chen Yi's rank would be particularly appealing.

The Iranian ambassador has asked his government for instructions in responding to the Chinese bid. Neither Turkey nor Iran would appear to gain any advantage from such a meeting, and the approach may be ignored. Should an informal meeting be arranged, primarily out of curiosity, the ambassadors would avoid any move designed to increase Chinese Communist prestige and influence in the Middle East.

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~~CONFIDENTIAL~~Agricultural Situation in China

Official statements and reports by observers indicate that the food situation in China is decidedly tight in most places and probably grim in some. People's Daily, the official party organ, said recently that "we are still unable to produce enough food to meet the present need." Demands for the strictest austerity in food consumption continue to emanate from all quarters. While there is no evidence to indicate that shortages have reached critical proportions, the balance between food and population is becoming increasingly precarious with each passing year.

The marked increase in official attention to agriculture apparently reflects Peiping's growing awareness of this basic food problem and concern over the demonstrated inability of "leap forward" tactics, despite false statistical claims, to effect any real solution. The regime last fall acknowledged the need to devote more attention to agriculture under the slogan of "taking agriculture as the foundation of the economy." Priority continued to be accorded to heavy industry, however, and this policy was reaffirmed at a party congress as recently as last April.

Domestic economic policy was evidently high on the agenda of a series of top-level party meetings believed to have been held in June and July. The first statement from an authoritative source to shed some light on the possible decisions reached at these meetings was from planning chief Li Fu-chun who, in an article for the latest issue of Red Flag, ascribed to agriculture more importance than had the policy set forth late last year. Following the same line, People's Daily declared on 25 August that agriculture must be placed in the "most important position," not as a temporary but rather a long-term policy. References to the priority of heavy industry were conspicuously absent in both cases. This appears to confirm signs that Peiping has decided to increase the relative priority accorded agriculture. An earlier article from the Chinese provincial press, reprinted in People's Daily, stated that, if necessary, the pace of industrial expansion would be slowed to permit a greater investment in agriculture.

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~~CONFIDENTIAL~~The Situation in the Congo

The opening of a conference of African foreign ministers in Leopoldville has been accompanied by increased local unrest and threats of new violence. An estimated 1,000 Congolese--probably some of Leopoldville's 50,000 unemployed--staged an anti-Lumumba demonstration on 25 August which was broken up by police. At the same time, UN troops at the Leopoldville airport prepared for a possible Congolese attempt to reoccupy the airport, which was placed under UN control on 18 August. (Secretary General Hammarskjold has stated that he regards the Security Council resolution of 22 July as having given him authority to defend the airport by force if necessary.)

Lumumba probably hopes that the visiting foreign ministers will support his effort to regain control of the airport and to curb the secessionist trend in Kasai. A UN force yielded to Congolese troops in a recent dispute over the control of entry points along the Congo River; Lumumba may feel that, backed by this precedent, he can reoccupy the airport, which has been run by the UN Command since Congolese soldiers molested a Canadian UN detachment on 18 August.

Meanwhile, Lumumba has moved about 1,000 Congolese soldiers to Kasai Province, reportedly to the towns of Gandajika and Luputa near the Katanga border. He may hope to isolate Bakwanga, the capital of the "Mining state" of southern Kasai, from contact with Katanga. President Tshombé reportedly has indicated to anti-Lumumba leaders in Kasai that he can furnish arms, though not troops, for use against Lumumba. Without aid from Katanga, however, the Kasai rebels have only about 450 militia with which to confront Lumumba's forces, which may also be augmented by pro-Lumumba tribesmen in the province.

While most independent African states continue to favor a unified Congo, many have become critical of Lumumba following his attacks against the UN and Secretary General Hammarskjold. The conferees at Leopoldville are expected to discuss

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issues such as technical aid to the Congo, establishment of an African international police force, and prospects for a common language. They are unlikely to come up with a warm endorsement of Lumumba, and may attempt to dissuade him from military ventures such as that in Kasai. The Leopoldville meeting may be followed by a meeting of African heads of state, possibly in Accra.

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Haiti Threatened by Dominican Retaliation

[redacted] reported preparations for possible Dominican military action against Haiti are part of an attempt to intimidate Haiti or reinforce the border to prevent any invasion by anti-Trujillo forces using Haiti as a base. [redacted]

[redacted] no anti-Trujillo group that might be preparing to invade the Dominican Republic from Haiti.

Haiti, the country most vulnerable to Dominican retaliation for the unanimous OAS vote condemning and applying sanctions against the Trujillo regime, cast its vote despite prior Dominican threats. One of these threats--to force repatriation of Haitian residents in the Dominican Republic--is already being carried out and this may account for the reported commandeering of trucks by the Dominican authorities on 23 August. About 16,500 Haitians were employed in the Dominican Republic during the recent sugar harvest and thousands of others have lived there for many years. Their sudden return will impose a serious burden on the weak Haitian economy. (The Haitian foreign minister informed Secretary Herter on 20 August that he fears Dominican reprisals may also take the form of subversive terrorism and economic sabotage.)

Haiti and the Dominican Republic are historic enemies. During the 30-year Trujillo regime, superior Dominican military strength was often used to intimidate and pressure Haiti, and thousands of Haitian workers were massacred in 1937 by Trujillo's army. On the other hand, Dominicans, who are predominantly of Spanish ancestry, still fear being overwhelmed by the numerically superior Haitian Negroes, as they were for over 20 years early in the last century. In fact, it was only after Trujillo's consolidation of power that Dominicans began to feel relatively safe from Haitian depredations.

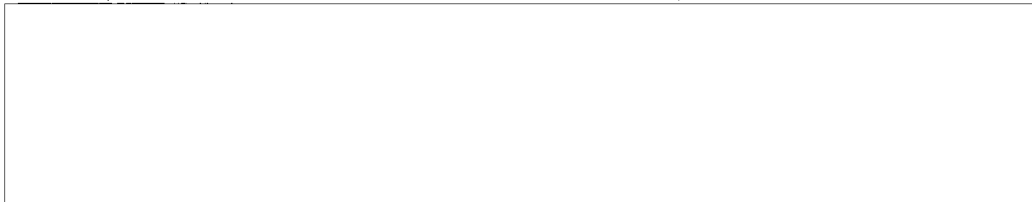
Haiti is one of the five Latin American countries that have not yet broken diplomatic relations with the Trujillo regime before or

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after the 21 August OAS resolution applying diplomatic sanctions. [redacted]

[redacted]
his government make the break after taking steps to safeguard Brazilian interests there. [redacted] Argentina, Paraguay, and El Salvador are expected to break relations soon. Many governments expect to retain consulates in Ciudad Trujillo, but the Dominicans are reported planning to expel all Latin American and presumably US officials except those needed for the barest consular establishments. [redacted]



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~~SECRET~~Situation in Laos

Serious obstacles have arisen to implementation of the 23 August agreement between premier designate Souvanna Phouma and General Phoumi for a compromise settlement of the Laotian crisis. Honest misinterpretations of the loosely drawn agreement may be part of the picture, but the trouble stems essentially from a continuing power struggle between the rightist, leftist, and neutralist factions involved.

The Communist Pathet Lao, fearful that the staunchly anti-Communist Phoumi may emerge from the crisis with his influence virtually intact, has denounced the agreement as undercutting the authority of the neutralist Souvanna government and as being a great danger to the nation. A 25 August broadcast over the clandestine Pathet Lao radio called on all Laotians to oppose the "Phoumi rebel clique and US imperialism." The possibility that the Pathet Lao will resort to force to prevent consummation of a compromise settlement between Souvanna and Phoumi cannot be excluded. In any case, the Pathets are not likely to heed Souvanna's 25 August appeal to lay down their arms in the interests of national unity.

Phoumi, meanwhile, is said to have stated on 25 August that Souvanna was not keeping his word and obviously was not master of the situation in Vientiane. In part, he may have been referring to action taken by the National Assembly in Vientiane on 25 August affirming the legality of the Souvanna government despite the understanding that it was merely a de facto temporary regime. Phoumi and Souvanna are also in disagreement over arrangements for extending pay and provisions to the Lao troops in the field; each is seeking to control the operation for prestige reasons.

Restoration of normal military command in the Vientiane area--a prerequisite to a resolution of the political problem--

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is encountering difficulty. According to one report, rebel Captain Kong Le is demanding command over the entire Vientiane military region. Kong Le's troops still dominate Vientiane and thus far no steps have apparently been taken to recover the arms distributed to civilian elements and Pathet Lao dissidents in the area.

[redacted]
as of 25 August Phoumi apparently is continuing to move his troops into position around Vientiane. [redacted]
[redacted]

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Special Assistant for Foreign Economic Policy
Executive Secretary, National Security Council

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The Secretary of the Treasury

The Department of State
The Secretary of State
The Under Secretary of State
The Under Secretary of State for Political Affairs
The Deputy Under Secretary of State for Political Affairs
The Deputy Under Secretary of State for Administration
The Counselor
Director, International Cooperation Administration
The Director of Intelligence and Research

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Atomic Energy Commission
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National Indications Center
The Director

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