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30 January 1961

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

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Laos: The crisis in Laos may be further complicated by the reported entry of at least part of the Chinese Nationalist irregular force which has been retreating in the face of a Burmese Army offensive. Chinese Nationalist authorities on Taiwan appear willing to cooperate with Laotian authorities in attempting to keep the irregulars confined to enclaves just a few miles from the frontier with Burma; however, the irregulars are not always responsive to Taipei and may penetrate deeper into Laos. Peiping could use activity by the Chinese Nationalists in Laos as a pretext for intervention.

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General Phoumi's efforts to advance the timetable of his projected offensive against the Plaine des Jarres are apparently being impeded by terrain difficulties and logistics problems. The progress of the column moving from Muong Kassy to the enemy-held junction of Routes 7 and 13 is said to be hampered by fallen trees, blown-up bridges, and other obstacles placed in the way of its advance by retreating enemy forces.

Ex-Premier Souvanna Phouma in Phnom Penh appears increasingly disposed to accept the invitation of the Pathet Lao - Kong Le forces to come to Xieng Khouang to head a government in opposition to the Boun Oum regime.

Sou-
vanna has already agreed and plans to leave for Xieng Khouang shortly.

(Backup, Page 1) (Map)

Congo: Response to Hammarskjold's request to various countries for troops to replace those being withdrawn from the UN Command has been reserved.

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[redacted] Nehru has informed Hammarskjold of his distress over the progressively deteriorating situation, and has said that unless clearer UN policy emerges it will be difficult for India to increase its Congo contingent. [redacted]

[redacted] The Sudanese foreign minister, although reiterating his government's support of the UN effort, fears that because of heavy withdrawals of UN troops, the Sudan might soon find itself almost alone among African states in the Congo, and his government has no desire to become involved in a civil war "next door." The Lualaba state proclaimed at Manono by pro-Stanleyville forces on 9 January is rapidly setting up a provincial administration among Balubas opposed to Katanga President Tshombé. This organization may soon permit Balubas and Congo army forces to make attacks against the mining complexes and railroads of south Katanga. In Leopoldville, President Kasavubu's opening speech to the preparatory political conference was well received, but the conferees have not yet begun real negotiations. [redacted]

[redacted] (Backup, Page 5)

Poland: Party First Secretary Gomulka, in his speech to the central committee plenum on 20-21 January, interpreted the manifesto of the November 1960 conference of Communist parties in Moscow as an endorsement of the Polish party's right to determine its own internal policies. At the same time, Gomulka was careful to stress his support for Soviet foreign policy, indicating that he did not feel this would preclude good relations with the West. (SECRET) (Backup, Page 8)

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Italy: The threat to Premier Fanfani's Christian Democratic government has been sharply increased by the alliance formed by the Christian Democrats and the Socialists to administer the city of Milan. The right-wing Liberal party has reacted strongly and may withdraw support from Fanfani if this alliance extends to the provincial government. The Liberals fear that the Milan alliance opens the way to a national government relying on Socialist support, which they may feel they can block if they force early national elections by overthrowing Fanfani. [redacted] (Backup, Page 10)

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Santa Maria: The outgoing government in Brazil, greatly disturbed over US actions in the Santa Maria incident, has informed Washington that the ship will be seized if it enters a Brazilian port. However, President-elect Janio Quadros, who will be inaugurated on 31 January, has told newsmen that Galvao is an old friend and that he would not "hand over his ship" to the Portuguese Government. [A Portuguese Foreign Ministry spokesman told Ambassador Elbrick that the US refusal to intercept the ship could lead to "most grave consequences for US-Portuguese relations." While the immediate stability of the Salazar regime has not been affected, widespread domestic press and radio coverage has renewed awareness of the Portuguese public that the regime has active opposition, and suspicion has been aroused that the government is not so confident as it says of the loyalty of Portuguese Africa.] [redacted]

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~~TOP SECRET~~Situation in Laos

[Ex-Premier Souvanna Phouma appears to be on the verge of going over openly to the side of the Pathet Lao - Kong Le forces in Laos.]

[he has agreed to a proposal brought to him by Pathet leader Phoumi Vongvichit to return to Laos to assume leadership of a government in opposition to the Boun Oum government. Souvanna reportedly stated that he would soon fly to Xieng Khouang, where the pro-Communists have set up a provincial administration and which they may claim as a temporary national Laotian capital.]

The Sino-Soviet bloc has consistently maintained that the Souvanna government remains the legal government of Laos. This assertion, made both to provide a rationale for the Soviet airlift and to limit international support for the Boun Oum government, would become considerably more plausible were Souvanna to throw in his lot with the Pathet Lao - Kong Le combine.

Phoumi Vongvichit left Phnom Penh on 27 January aboard a Soviet IL-14 accompanied by some of the more leftist inclined of Souvanna's entourage. The most noteworthy of these was former National Assembly President Pheng Pongsavan, who last fall was the primary force behind the creation in Vientiane of the Communist-influenced Peace and Neutrality Committee. There are already indications that this front group may be revived as a propaganda vehicle. A broadcast on 28 January by the clandestine "Radio of the Laotian Kingdom" stated that an "expanded" session of the committee had been held that day in Xieng Khouang; among the participants were Souvanna's half-brother, Pathet Lao leader Prince Souphannouvong, Kong Le, Pheng Pongsavan, and Quinim Pholsena, Souvanna's information minister. Another broadcast stated that Kong Le has been named chairman of the recently created "Laotian National Military Committee," described as "the supreme joint command of the legal government forces and the Pathet Lao fighting units."

[The USSR apparently intends to delay its reply to the British proposal of 21 January that the International Control]

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[Commission (ICC) take preliminary soundings, through its Indian chairman, to determine whether it could perform any useful role in Laos.]

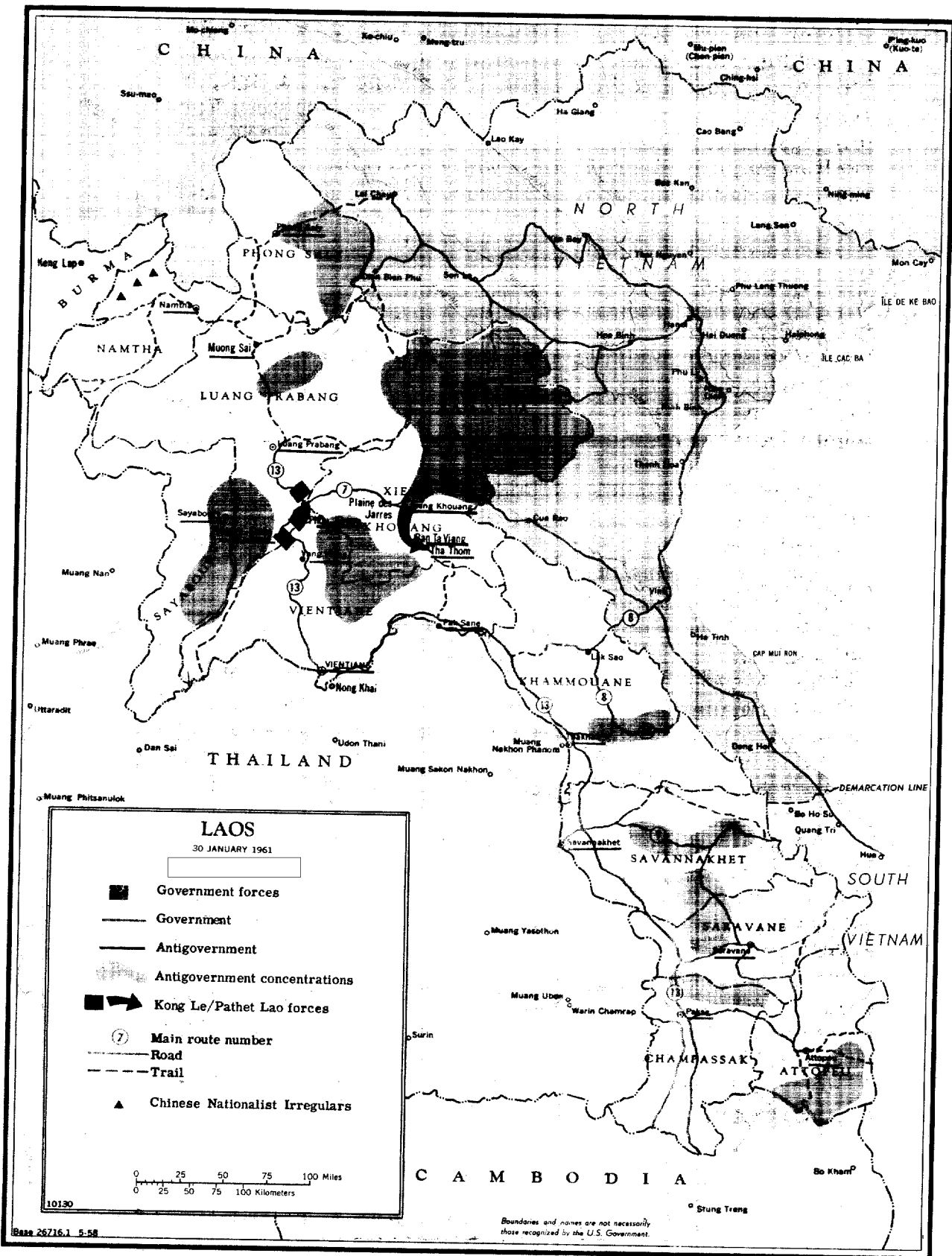
[Soviet Deputy Foreign Minister Kuznetsov has indicated that the USSR's reply would be delayed for a while. He pointed out that London had taken from 22 December to 21 January to reply to the Soviet proposal for reactivating the ICC and reconvening the Geneva Conference.]

The bloc leaders evidently believe time is working to their advantage in Laos. Their delaying tactics are designed to provide the Kong Le - Pathet Lao forces an opportunity to exploit their recent military successes and to secure control of as much territory as possible before international negotiations get under way.

[The Communists are also seeking to prevent any international scrutiny of their airlift activities. The Polish delegation on the ICC for Vietnam engineered a postponement of a meeting of the commission scheduled for 27 January in Saigon in order to avoid a discussion of the airlift to Laos. The chief Polish member pleaded "illness," and the alternate Polish delegate suddenly departed for Hanoi. The Canadian delegation told the Indian chairman of the ICC for Vietnam that these Polish tactics represent a blatant attempt to frustrate ICC activities, and he requested that this situation be "brought to the attention" of the cochairmen of the 1954 Geneva Conference--the USSR and Britain.]

[In a further international complication, sources on Taiwan state that Chinese Nationalist irregular forces have entered Laos at three points as the result of Burmese military pressure on the other side of the Mekong River frontier. The irregulars reportedly plan to establish new headquarters in Laos, following the loss on 27 January of their main base area in Burma, Keng Lap. Laotian authorities have called upon the irregulars not to move more than a few miles into Laos. Taiwan's security chief Chiang Ching-kuo professed to agree with the Laotians that Communist China might use the irregulars' presence as a pretext for action in Laos;]

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hence, Chiang reportedly considers Laos to be only a temporary haven. Nevertheless, the Laotians are unable to prevent the irregulars from moving farther into Laos.

Burmese Army leaders deny that Chinese Communist elements have participated in the present phase of the offensive against the irregulars. However, since 25 January three Chinese Communist military air transports have flown from Kunming to an airfield in southern Yunnan Province not far from the area of earlier Chinese Communist attacks on the irregulars in Burma. Prior to early January, flights into this area were infrequent. A nonstop flight of "first aid plasma" was made from Peiping to Kunming on 27 January.

General Phoumi states that the two-pronged advance from the north and the south on Phou Khoun, which commands the junction of Routes 7 and 13, is being delayed mainly by physical obstacles--fallen trees, rocks, and other impediments presumably left by the retreating enemy forces. A 20-truck convey of reinforcements for the enemy position at Phou Khoun may by now have reached there from the Plaine des Jarres. Elsewhere in the fighting, a two-battalion enemy force is reported probing government defenses at Muong Sai, to the north of Luang Prabang.

stepped-up Pathet Lao activity in Attapeu, the country's southernmost province, and the government may soon send reinforcements, which it can ill spare, to the area. There appears to have been little change over the week end in the Tha Thom area in southern Xieng Khouang Province, although Phoumi still expects heavy fighting there.

The two Soviet AN-12s arrived in Canton on 28 January. One continued on to Haiphong but returned to Canton a few hours later, presumably after unloading. The second AN-12 apparently remains at Canton. Airlift flights into Laos continue to be scheduled.

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[redacted] the IL-14s had been armed. [redacted] evidence that the airlift was continuing effectively and that enemy forces were dispersing supplies received to the extent that no worthwhile supply dumps have been detected. However, the Pathet Lao are practicing cover and concealment against air observations. Although no Communist combat aircraft were observed, several airfields were noted undergoing improvement. [redacted]

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~~TOP SECRET~~ [REDACTED]Situation in the Congo

[Hammarskjold has asked India, Sudan, and Iraq, among other countries, to furnish replacements for the more than 5,000 troops the UN Command may lose as the result of planned or threatened withdrawals of contingents from neutralist nations. So far the response has been unenthusiastic, owing partly to a general disillusionment with the UN's Congo operations.]

[Indian Prime Minister Nehru, [REDACTED], feels that the progressively deteriorating situation amounts almost to disintegration. He has replied to Hammarskjold that the behavior of Mobutu's forces and the "shocking" treatment of Lumumba have aroused much resentment, while the more or less passive attitude of the UN has created an impression of ineffectiveness. Nehru feels that more tension would be created were India to replace troops withdrawn for policy reasons by the "Casablanca powers"--Morocco, Guinea, the UAR, and Ghana--and that unless a clearer UN policy emerges, it would be difficult for India to justify increasing its Congo forces beyond the specialist units now there. [REDACTED]

[Other reports indicate that Nehru believes that UN policy should include withdrawal of all Belgian military elements, disarming of "private armies" including Mobutu's, early recall of parliament, and the supplying of all aid to the Congo through the UN.]

[The Sudanese foreign minister fears that unless the UN and the Western governments "do something" quickly in the Congo, the situation will deteriorate to the point where the Sudan would be faced with a de facto Communist-supported government on its border. Speaking to an American Embassy official on 26 January, he said that in view of the heavy troop withdrawals from the Congo--principally by the UAR and Morocco--the Sudan might soon find itself almost the only African nation with a force there. Its position would then]

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[be indefensible, he added, as his government had no desire to have its army involved in a civil war in an adjoining country.]

[The foreign minister vigorously denied reports that trucks from the Sudan had entered the Congo with arms for Lumumba, and asserted that President Abboud remained adamant against any transit of the Sudan in support of Gizenga's regime. [redacted]

[redacted] some supplies are reaching Orientale Province by road and air through the Sudan. [redacted]

[The autonomous Lualaba state, proclaimed in the northern Katanga town of Manono by pro-Stanleyville forces on 9 January, appears to be developing into a serious threat to the Katanga government of President Tshombé. As this regime becomes entrenched--its provincial administration is reportedly already collecting taxes--the Baluba tribesmen hostile to Tshombé, together with Congolese Army units loyal to Stanleyville, will be in a position to launch attacks against the mining complex and railroads which are economically vital to southern Katanga. Offensive action by Tshombé's forces, now being strengthened by Belgian aid, may soon be organized to combat his threat.]

On 27 January some 200 delegates met in the first plenary session of a conference called by Kasavubu to prepare for a later round-table conference of all Congolese leaders. The US Embassy stated that the delegates were reportedly satisfied with the progress of the first meeting and are hopeful of achieving some concrete results. This hope appears unrealistic, however, since none of Lumumba's supporters are attending the conference. [redacted]

[redacted] the pro-Lumumba forces there

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were on the defensive because of a shortage of arms and ammunition. [redacted] the transportation situation was bad because of shortages of vehicles, gasoline, and spare parts. [redacted] it was questioned daily by local officials about the arrival of Russian supplies. These officials have known for a long time that such supplies would be "dropped from huge transport aircraft," [redacted]
[redacted]



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~~SECRET~~Poland

Gomulka used the 20-21 January central committee plenum of the Polish Communist party to reassure the people that he interpreted the manifesto of the November 1960 conference of Communist parties in Moscow as an endorsement of the Polish party's right to determine its own internal policies, including the relative freedom for individuals which has characterized the Gomulka period in Poland. Gomulka, who has relied on Khrushchev for support since 1958, was careful to stress his support of the Soviet foreign policy line, indicating his belief that this would not stand in the way of good relations with the West.

The Polish leader is hampered by the fact that his party has little popular support and that many of its members are opportunists rather than dedicated Communists. He has felt it necessary to rely on party militants who, while effective as administrators, are opposed to his liberal internal policies. The regime's avoidance of terror as an instrument of policy has permitted leading intellectuals and technologists to be safely aloof from politics, and the masses to remain openly apathetic or opposed to Communism, although all concerned apparently believe that there is no feasible alternative to Gomulka.

The regime's gradual encroachments on Roman Catholic influence are most recently illustrated by educational measures substituting the study of Communist ideology for the study of religion and the humanities. This violation of a 1957 modus vivendi between church and state is bound to increase tensions and will add to the uneasiness already caused by the conflict over questions of birth control and confiscatory taxes on church property.

In the economic field, individual farmers, who constitute over 52 percent of the population, fear that force will eventually be used to collectivize agriculture, but they continue to resist "voluntary" membership in the regime's farm cooperatives. The urban standard of living--particularly regarding

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housing and food--has not met the expectations raised by the Polish Communists, and the prospect is for continued austerity, at least until 1964, to help pay for rapid expansion of heavy industry.

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~~CONFIDENTIAL~~Italian Government's Tenure Increasingly Threatened

The local elections in Italy last November failed to give the four-party coalition supporting Premier Fanfani's all-Christian Democratic government a majority in such key cities as Milan, Genoa, Florence, Venice, and Rome. The Christian Democrats are hampered in seeking allies outside the national coalition to form city administrations because their Social Democratic and Republican partners object to alliances with the Monarchists on the right, while their Liberal allies oppose ties to the Nenni Socialists on the left.

A minority city government's greatest weakness is the necessity to muster an absolute majority on the municipal budget. The only alternative, a Rome-appointed commissioner to take the place of mayor and governing board, is a highly unpopular solution which was tried in Venice, Genoa, and Florence before the last elections, and apparently lost the Christian Democrats some votes.

Socialist leader Nenni had originally indicated that he would participate in the Milan city administration only if the Socialists were also accepted in the government of Milan Province. The national coalition parties have sufficient seats to form the provincial administration, and Christian Democratic party Secretary Aldo Moro reportedly would rather have a commissioner appointed for Milan Province than risk a coalition including the Socialists because he is convinced that Liberal party leader Giovanni Malagodi would then bring Fanfani down. While the Christian Democratic leaders in the province are sympathetic to the Socialists, they may not press the issue because Socialist leader Nenni does not want a crisis now.

The Liberals threaten to repeat the policy they followed in January 1960, when they caused a lengthy cabinet crisis by withdrawing support from the government because they feared Socialist backing was in prospect. The current coalition resulted after Communist-led riots brought about the downfall of an interim cabinet dependent on neo-Fascist

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support. When Fanfani was invested, the Socialists abstained instead of following their usual practice of joining the Communists in opposition during a vote of confidence.

The Liberals expect that, when the Socialist party congress is held from 16 to 19 March, Nenni will have to have some quid pro quo to justify to his party's left wing his move away from the Communists. The Liberals may decide to dump Fanfani before March in order to discredit Nenni by blocking local alliances between Socialists and Christian Democrats. A repetition of the protracted cabinet crisis of 1960 would jeopardize the Italian parliamentary system, and if early elections resulted the Christian Democrats would probably suffer and the Communists gain.

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