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17 DECEMBER 1959

I. THE COMMUNIST BLOC

USSR--Ambassador Thompson discusses Soviet attitudes on German question. \bigcirc

Poland asks US for emergency grain ship-2 ments.

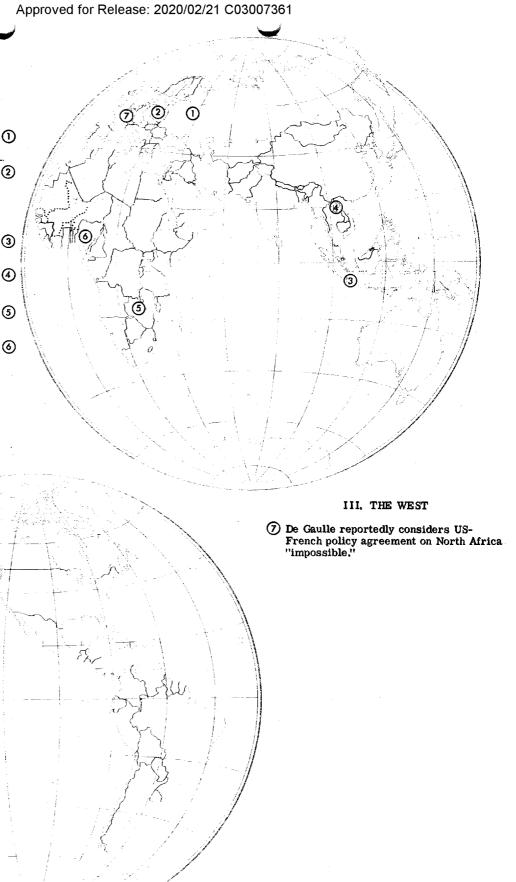
II. ASIA-AFRICA

Indonesian "state-of-war" declaration is technicality continuing existing controls. 3

Laos--Phoui forms new cabinet without participation by reformist CDNI.

Rhodesia-Nyasaland Federation seen headed for increasing racial tension.

Rival Nigerian leaders maneuvering for formation of coalition government.



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CENTRAL INTELLIGENCE BULLETIN

17 December 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR: Ambassador Thompson believes that even if the results of the summit meeting prove unsatisfactory, Khrushchev will not take immediate steps to sign a separate peace treaty with East Germany. He feels, however, that the Soviet premier will not defer such action for any considerable time unless the West can devise an acceptable counterproposal. Most recently, Khrushchev warned four times in his speech to the Hungarian party congress on 1 December that if the West rejects a treaty with both German states, the USSR will be "compelled" to sign a separate treaty with East Germany. He emphasized, however, that Moscow does not "fix any time limits" and implied that he envisages an indefinite period of high-level East-West negotiations.

Poland: Poland has officially requested the earliest possible initiation of negotiations for an "emergency" allocation of grain. Polish officials told American Ambassador Beam there is a desperate requirement for supplementary grain shipments to arrive in April. Poland will apparently require at least 300,000 tons of grain above present planned imports to alleviate the critical situation resulting from the prolonged drought and planning failures.

(Page 1)____

II. ASIA-AFRICA

Indonesia: President Sukarno's declaration of a state of war throughout Indonesia on 16 December merely continues military controls which have been in effect since early 1957 and which were due to expire on 17 December. Under the new decree, President Sukarno assumes the role of chief war administrator, a post formerly held by Army Chief of Staff General Nasution, but Nasution reportedly will be the deputy responsible for implementation, and

TOP SECRET

the practical effect of the change is expected to be small.

state of war will continue at least for another year.

Laos: Premier Phoui's formation of a new government without the young reformist Committee for Defense of National Interests (CDNI), following failure to reach agreement on a cabinet list,) may lead to a political crisis in Vientiane. If the conservatives and the CDNI remain at odds, the government's efforts to cope with the Communist internal threat will be undermined. (Page 2)

Watch Committee Conclusion: The following developments are susceptible of direct exploitation by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:

In Iraq, with Qasim being driven closer to the Communists, another nationalist attempt to assassinate Qasim could occur at any time.

Rhodesia-Nyasaland: (Dissatisfaction among moderate Africans in the Federation of Rhodesia and Nyasaland, together with renewed activity by extremist elements, is likely to make for a continuing increase in racial tension. The Consulate General in Salisbury observes that many Africans doubt that London will protect interests of the natives against the demands of settler-dominated Federation and territorial governments. The recently created Monckton Commission--charged with recommending changes in the Federation constitution-does not have African support and probably will make no report until late in 1960. African spokesmen in Nyasaland continue to demand that Nyasaland secede from the Federation. Surface calm in the area appears attributable largely to repressive measures taken under emergency regulations which have been in effect since the Nyasaland riots last February] (Page 3)

17 Dec 59

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DAILY BRIEF

ii

TOP SECRET

<u>Nigeria:</u> Nigerian political leaders now are engaged in a period of bargaining following the 12 December federal parliamentary election, which gave none of the three major groupings an absolute majority. A coalition government dominated by the conservative Northern People's Congress appears the most likely outcome. A government controlled by a combination of southern parties--a development likely to provoke disturbances in the Northern Region--could materialize, however, if the northern leaders set too high a price on sharing power. (Page 4)

III. THE WEST

France: De Gaulle is reported to view the United States' abstention on the UN Algerian resolution as conclusive evidence that bilateral agreement between France and the United States on North African policy is "impossible." De Gaulle's preoccupation with North Africa is a major factor underlying his present controversies with NATO, which in Spaak's view now leave De Gaulle virtually isolated on defense policy within the alliance. Top French military advisers fear De Gaulle plans to ignore their view that cooperation between the two countries and continued American military aid are essential to prevent a deterioration of French armed forces.

(Page 5)

17 Dec 59

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Poland Requests "Emergency" Grain Talks

(Poland has officially requested the earliest possible initiation of negotiations for an "emergency" allocation of grain. Vice Minister of Foreign Trade Modrezewski and the economic counselor at the Polish Embassy in Washington have told American Ambassador Beam that Poland desperately needs supplementary grain shipments to arrive in April.

Because of a drought and planning failures, Polish grain requirements for the year 1959-60 from external sources have mounted to about two million tons, and the need will be greatest between April and harvest time. The Poles now have commitments for about 1,700,000 tons--including 800,000 from the USSR, 600,000 from the US and 200,000 tons from Canada. Unless additional supplies are obtained, livestock herds might decline and the meat situation, already difficult, might become worse. Furthermore, bread-grain consumption probably will increase during the coming year, because meat and potatoes have become less plentiful. To complicate the situation further, the outlook for next year's grain harvest is unfavorable, a circumstance which may make the peasant reluctant to meet his compulsory grain obligations to the state. The peasants' attitude may very well be stiffened by regime efforts to control meat sales during the last few days, collect back taxes, and compel additional peasants to join state-sponsored agricultural circles.

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17 Dec 59

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II. ASIA-AFRICA

Reformists Excluded From New Laotian Cabinet

Premier Phoui's exclusion of the reformist committee for Defense of National Interests (CDNI) from his reorganized cabinet and his scheduling of a special National. Assembly session from 17 until 22 December may usher in a period of serious political instability in Laos. The break came after failure to reach agreement on a cabinet list. The CDNI has also registered strong opposition to any assembly session prior to the scheduled expiration of the assembly's mandate on 25 December.

The CDNI is reported preparing a communiqué arguing that Phoui's recent moves are inopportune and unconstitutional. The reformists may still hope to re-enter the government after the assembly ceases to function, possibly by prevailing on the King to establish a new provisional government. On the other hand, they may be content to bide their time, concentrating on getting a new assembly more to their liking returned in early elections. A third possibility is that the CDNI might attempt a coup with the strong army backing it reportedly enjoys.

In any event, if the conservatives and the reformists remain at odds, the government's efforts to cope with the Communist internal threat will be undermined.

-SECRET-

17 Dec 59

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Page 2

Increasing African Dissatisfaction in Rhodesia And Nyasaland

Growing discontent among moderate Africans in the Federation of Rhodesia and Nyasaland, together with renewed activity by extremist elements, is likely to make for a continuing increase in racial tension. Nyasaland nationalists continue to demand that Nyasaland secede from the Federation. The Consulate General in Salisbury notes widespread dissatisfaction over the slow pace of African advancement and over the tendency of the Europeans to ignore or dismiss legitimate African grievances,

The surface political quiet in the Federation since the Nyasaland riots of last February stems largely from repressive measures taken under emergency regulations-which initially included the detention of some 1,500 African nationalists--rather than from any solution of fundamental issues. About 500 nationalists are still detained. The International Red Cross representative in the Federation recently criticized the handling of these detainees, which he characterized as psychologically inept and tending to increase the number of hard-core extremists.

The Consulate General states that many Africans doubt that London intends to protect the African state in the Federation, and that the Monckton Commission--recently created to study possible changes in the Federation constitution--does not have African support and probably will not finish its study until late 1960. African nationalists have threatened to boycott the activities of the commission. The British Labor party has refused to participate in the activities of the commission, largely on the ground that it has not been specifically directed to consider Nvasaland's independence.]

SECRET

17 Dec 59

Approved for Release: 2020/02/21 C03007361

Page 3

Nigerian Leaders Bargaining on Coalition Government

(The failure of any one of Nigeria's three major political groupings to win an absolute majority in the federal parliamentary election on 12 December has precipitated a period of bargaining for a share in the government which is expected to be in power when Nigeria becomes independent next October. The most likely outcome is a coalition cabinet dominated by the Northern People's Congress (NPC), which won a substantial plurality of the 312 seats contested, and including representatives of the National Council of Nigeria and the Cameroons (NCNC), which came in second in the balloting. The NPC is the organization of the Northern Region's conservative Moslem rulers, while the NCNC represents the more dynamic Christian and pagan tribesmen who control the Eastern Region's government. The two parties reached an "understanding" sometime before the election on sharing power; however, this accord was subject to considerable strain during the hotly contested campaign.

Incumbent Prime Minister Tafawa Balewa, the deputy president of the NPC, has been nominated by the British Governor General--who believes an NPC-controlled government is essential to Nigeria's stable development--to form the new cabinet. However, the dominant NPC personality is Sir Ahmadu Bello, the premier of the Northern Region, who was not a candidate for the federal legislature. Both Tafawa Balewa and Sir Ahmadu indicated to the American consul in Kaduna on 14 December that the NPC was prepared to accept the NCNC as a coalition partner provided NPC's terms were met.

Meanwhile, rumors are circulating in Lagos that the NCNC is "negotiating" with the Western Region's Action Group, which finished third in the voting and is regarded by the NPC as its principal enemy. While such rumors are probably deliberately inspired as part of the bargaining now going on, an NCNC-AG coalition might materialize if the northern leaders set too high a price on sharing power. Such a development might provoke disturbances in the Northern Region.

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17 Dec 59

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III. THE WEST

De Gaulle Sees No Agreement Possible With US Over North Africa

(French President de Gaulle takes a very serious view of the United States' abstention in the UN vote on the Algerian resolution on 12 December,

the UN vote proved that "political agreement with the United States on North Africa is impossible" and afforded conclusive evidence of the unsoundness of the top-level French military view that France and the United States could reconcile their differences by bilateral consultation. Specific problems cited by the French military include the supplying of US arms to Morocco and NATO financial support for the Bizerte naval base.

De Gaulle's preoccupation with North Africa is a major factor underlying his controversy with NATO. His withdrawal of the Mediterranean fleet and his refusal to permit the integration of French air forces stems in part from his desire to keep his armed forces free for this priority national mission. De Gaulle also appears to share the view of many Frenchmen that the United States is seeking to replace France as the dominant influence in North Africa.

NATO Secretary General Spaak told Secretary Herter on 14 December that there is a "sentiment of revolt" within the Atlantic alliance over France's obstruction of progress in keeping up NATO defenses. Similar uneasiness, reported among the top-level French military officials, expressed in much of the French press and evident in all the parliamentary groups except those representing the Union for the New Republic and the Communists, leaves De Gaulle virtually isolated in his defense policy.

, French military officials agree that continued American military aid is needed if France's armed forces are not to deteriorate drastically. They fear, however, that De Gaulle will ignore their advice in this respect because of his attitude toward the United States' position on North African questions.

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