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27 June 1960

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CENTRAL INTELLIGENCE BULLETIN

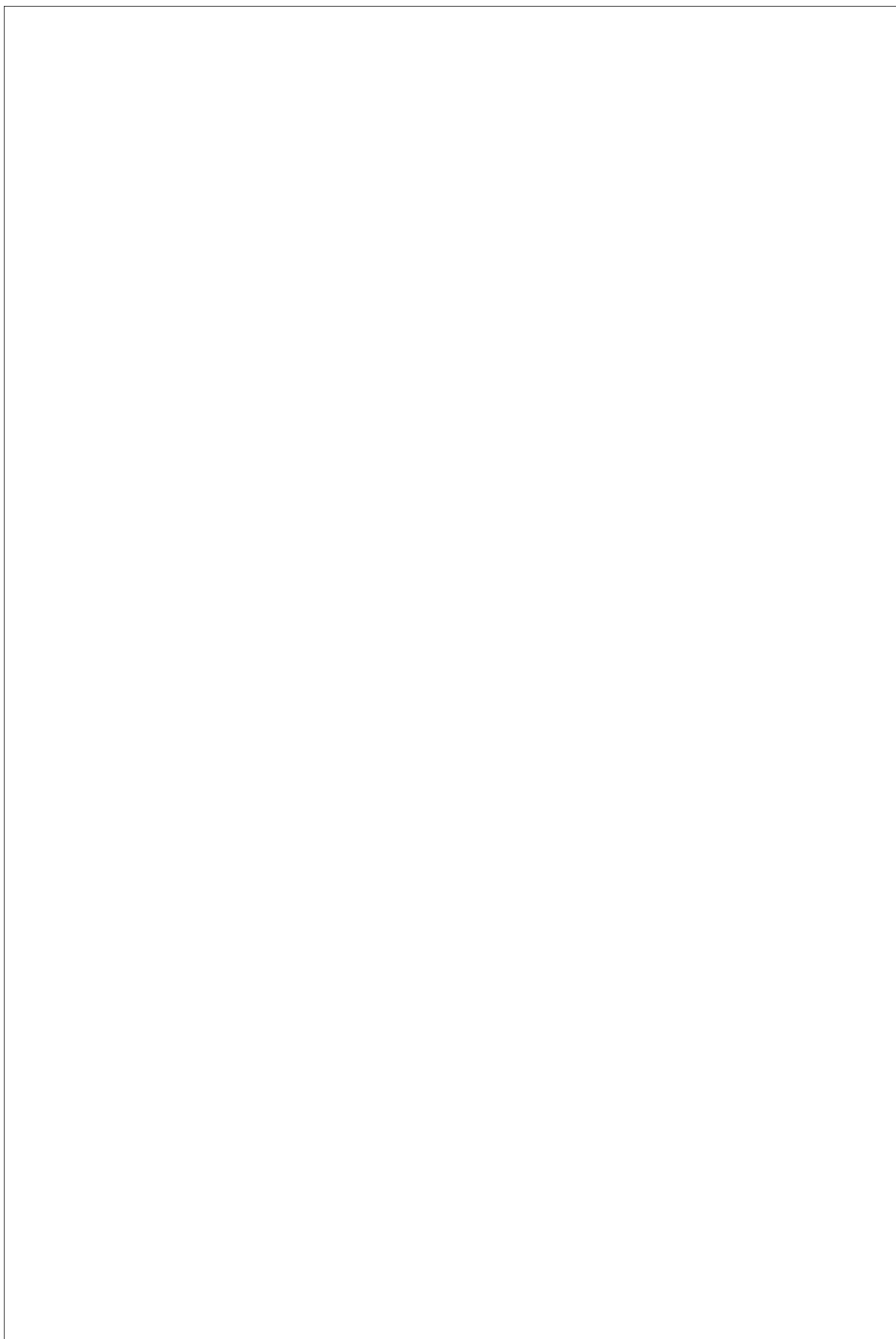


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27 JUNE 1960

I. THE COMMUNIST BLOC

East German police have instituted a series of strong harassing actions against Western military liaison missions. ①

II. ASIA-AFRICA

New Congo Government has strong leftist tinge. ②

Japan--Ikeda encountering strong opposition in contest for post of prime minister. ③

Group of senior Lebanese Army officers discussing necessity for military regime. ④

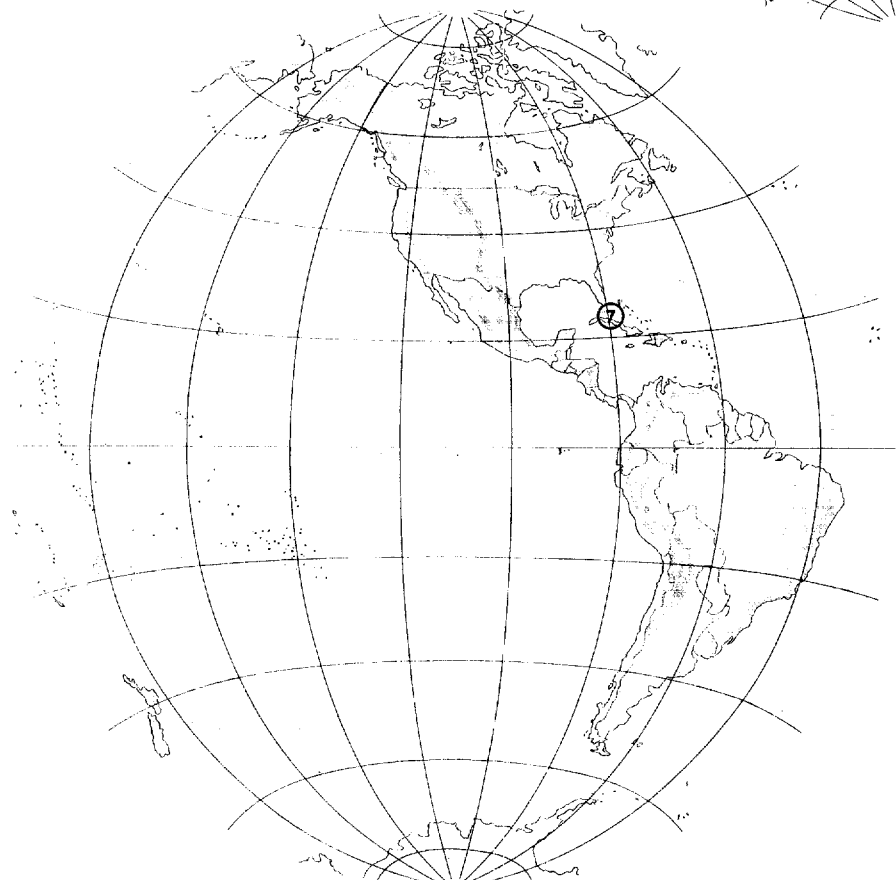
Malayan anti-Communist orientation unchanged despite prime minister's advocacy of UN membership for Communist China. ⑤

Philippines--President Garcia's veto of three major bills gives opposition effective ammunition. ⑥



III. THE WEST

⑦ Cuba seeks long-term Polish credit; Raul Castro mission presumed in search of military aircraft.



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CENTRAL INTELLIGENCE BULLETIN

27 June 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

NO - Friday's CID

East Germany: East German police have instituted a series of strong harassing actions against Western military liaison missions in East Germany. Since 9 June several incidents have occurred, with East German police forcing mission vehicles to stop, threatening mission personnel with loaded firearms, and engaging in acts of physical violence against them. The most serious of these incidents was the physical assault on the chief and other members of the British mission in an unrestricted area near Potsdam on 21 June. The three chiefs of the Western liaison missions believe that the deteriorating situation may result in further serious incidents, possibly involving even the loss of life. They also believe that the East German actions are being taken with the approval of high-level Soviet authorities.

[] (Page 1)

II. ASIA-AFRICA

NO

Belgian Congo: The government formed by Congo Premier-designate Patrice Lumumba is "weak" and has a "strong leftist tinge," according to the consulate general in Leopoldville. Members of opposition parties named to the cabinet are described as little known and likely to be dominated by Lumumba. Among ten secretaries of state, however, five--including the secretary for economic coordination and planning--are Communist inclined. Meanwhile, a spokesman for the majority Conakat party in Katanga Province has expressed determination to secede. []

[] (Page 3)

OK

Japan: Political maneuvering is continuing as factions of the ruling Liberal Democratic party attempt to reach agreement on a single candidate to succeed Prime Minister Kishi. Hayato Ikeda, leading contender for Kishi's post, is encountering strong opposition from part of the press and from leftist groups, with the Socialists

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 hinting they might support one of his conservative rivals for prime minister. The Socialists plan to organize a joint front for long-range opposition to the security treaty. (They also are reported planning to promote the establishment of a left-wing Socialist party in South Korea.) (Page 4)

[Lebanon: A number of senior Lebanese Army officers, dissatisfied with the results so far of the parliamentary elections, are discussing the necessity of installing a military regime to prevent the meeting of the new parliament,]

OK - slight updating in PD2.
 The group, presumably mostly Christians, is said to fear that the election of pro- and anti-UAR extremists to the new parliament will lead to new outbreaks of religious strife. There is no indication that the group intends immediate action, although the new parliament could meet as early as mid-July. A further indication of political instability is the existence of widespread discontent with President Shihab and the army because of the army's blatant intervention in the election. (Page 6)

[Malaya: Prime Minister Abdul Rahman's recent public advocacy of UN membership for Communist China apparently results from his belief that the summit breakdown was solely the result of Chinese pressure on the Soviets, and that its membership would ease international tension. In addition, Rahman is said to believe that US policy toward Communist China will change as the result of French and British pressures. Rahman's views, however, do not represent a real softening of the Federation's anti-Communist orientation, and they specifically do not portend any early diplomatic recognition of Communist China by the Federation.]

OK
Philippines: President Garcia's veto of three major bills which he had demanded earlier from the Philippine Congress as part of his anticorruption and "Filipino first" drives, has raised a storm of protest within his own Nacionalista party and alienated many of his congressional supporters. The widespread belief that the President bowed to pressure from profiteering special interest has undermined the prestige accruing to Garcia from the Philippine

27 June 60

DAILY BRIEF

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reception of President Eisenhower and has given the opposition, looking toward next year's presidential election, some effective ammunition. [redacted] (Page 7)

III. THE WEST

Cuba: The Castro regime continues its efforts to secure industrial goods and technical assistance through the conclusion of trade and aid agreements with the Sino-Soviet bloc.

NO [redacted] Havana is seeking a long-term Polish credit for industrial development similar to the agreements concluded with the Soviet Union and Czechoslovakia, and that Cuban visas have been authorized for a Chinese Communist commercial mission. A Cuban mission, headed by Armed Forces Minister Raul Castro, is en route to Czechoslovakia and the UAR, presumably in search of military aircraft which Cuba has not procured from other sources. Thus far the bloc has not provided military aid to the Castro regime. [redacted] (Page 8)

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DAILY BRIEF

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East German Police Harassing Western Military Liaison Missions

East German police are conducting a series of harassing actions against the three Western military liaison missions accredited to the commander of the Group of Soviet Forces in Germany (GSFG). The three chiefs of the Western liaison missions, believe that the East German actions have been taken with high-level Soviet approval. Several incidents have occurred since 9 June and surveillance has been markedly stepped up: East German police have forced mission vehicles to stop, threatened mission personnel with loaded firearms, used insulting language toward Western officers, and engaged in acts of physical violence against members of the American and British missions. A letter of 16 June from the chief of the British mission to the commander of GSFG protesting the harassments remains unanswered.

The most serious incident occurred on 21 June when East German security police halted the chief of the British Military Liaison Mission, Brigadier Packard, in an unrestricted area near Potsdam. The East Germans struck Packard and another officer, injured an enlisted man, and seized at gun point all equipment in the British cars. When a Soviet liaison officer arrived several hours later, the East Germans refused to allow the British vehicles to follow his car as he had directed; only after the Soviet officer returned an hour later did the East Germans permit the British cars to proceed.

Since this incident, East German surveillance has been concentrated on British mission vehicles; French and American mission personnel have noted only one instance of being followed closely in the period 21-24 June.

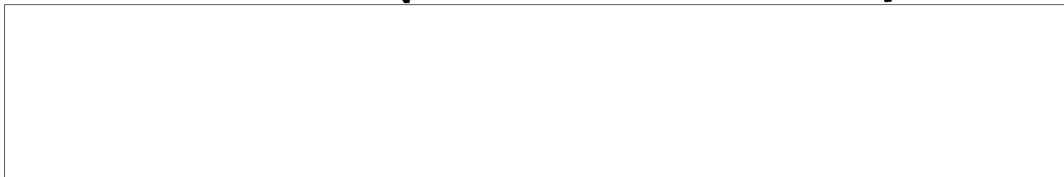
On 20 May, while Khrushchev was in East Berlin, East German party boss Ulbricht launched a propaganda campaign that is

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still continuing against the Western military liaison missions. He claimed that East German security police had obtained maps and other intelligence material "from American officers" which proved that they were spying against East Germany.

The chiefs of the Western missions consider that the deteriorating situation may result in further serious incidents--possibly involving the loss of life. The harassments appear to be part of a coordinated effort to limit severely the activities of the missions, to force them to accept documentation indicating East German permission to travel, or to suspend travel entirely. Soviet military authorities sought to force the missions to accept such documentation last winter, with the explanation that East German police could then know that they were not to molest mission personnel.

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Lumumba Moves to Consolidate Power in Congo

The government formed by Congo Premier-designate Patrice Lumumba is "weak" and has a "strong leftist tinge," according to the consulate general in Leopoldville. Members of opposition parties named to the cabinet are described as little known and likely to be dominated by Lumumba. The premier-designate allocated to himself the key post of defense minister, which carries with it control over the Congo's 24,000-man security force, whose Belgian officers are expected to remain after the Congo's independence on 30 June.

Among ten secretaries of state named by Lumumba, five--including the secretary for economic coordination and planning--are Communist inclined. Anti-Lumumba leaders continue to emphasize Lumumba's Communist contacts, and in conversation with US officials have deplored the failure of the United States to check "Communist forces" in the Congo. Available evidence indicates that Lumumba is a leftist-oriented "neutralist" who has accepted financial aid from Communist sources.

Leaders for the majority Conakat party in Katanga Province continue to threaten secession and have expressed dissatisfaction at the inability of the United States to offer armed support, if needed, to an independent Katanga state. A Conakat spokesman has indicated to American officials that Katanga is prepared to secede from the Congo on 30 June unless Conakat is granted three cabinet seats instead of the one offered by Lumumba and unless they are convinced that the Congo Government will not evolve into a "Lumumba dictatorship."

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The Japanese Situation

Leaders of Japan's ruling Liberal Democratic party are engaging in vigorous backstage maneuvering in an effort to reach agreement on a successor to Prime Minister Kishi. Minister of International Trade and Industry Hayato Ikeda is still regarded as the leading contender, but the strong opposition he is encountering from the leftists--Socialists, Sohyo, and the extremist student organization, Zengakuren--and from part of the press is encouraging his competitors' efforts to block his succession.

Former Prime Minister Yoshida continues to exert a strong influence for party unity behind Ikeda in order to establish an effective conservative government. He has endorsed Ikeda in letters to leaders of the principal factions now supporting Kishi. The situation within the Liberal Democratic party, however, is still fluid, and a compromise candidate may be required to put off major dissension in the party.

The Japanese Socialist party is attempting to aggravate the factional maneuvering over the selection of Kishi's successor and has already developed a campaign to discredit publicly any new head of the Liberal Democratic party. The Socialists have indicated they will end their boycott of the Diet in order to vote for the next prime minister and have hinted they might support Kenzo Matsumura, one of Ikeda's conservative rivals. They have publicly reaffirmed their opposition to any candidate involved in the Diet's "forced" approval of the security treaty. The Socialist party has also stated it will continue efforts to neutralize the security treaty by making it difficult for the United States to maintain its bases in Japan.

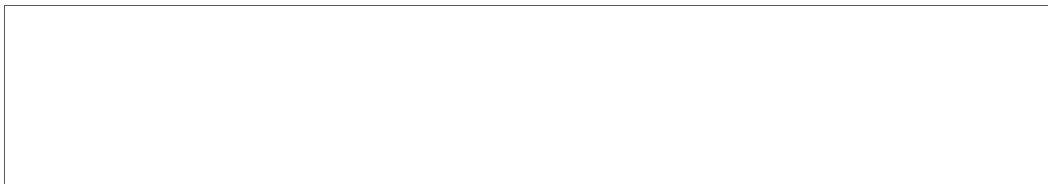
The Socialist party may be planning to extend its proneutralist and anti-American activities to South Korea in the belief that it can exploit the unstable political situation following the fall of the Rhee regime. Fusao Yamaguchi, secretary of the party's international bureau, is reportedly planning to dispatch a Korean leftist, Kim Sam-kyu, to South Korea to establish the nucleus of a left-wing Korean counterpart of the Japanese Socialist party.]

South Koreans are strongly anti-Communist and at least nominally anti-Japanese, but some left-of-center groups now emerging

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may be receptive to Kim's overtures, providing he is well financed. Also, the Federation of South Korean Trade Unions, which was formerly largely financed and controlled by Rhee's Liberal party, must find a new source of financial support. The federation's leadership is divided by factionalism and the membership has hoodlum elements.



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Lebanese Army Clique Considers Military Takeover

[redacted] several senior Lebanese Army officers discussed the necessity of installing a military regime in order to prevent the assembly of the new parliament now being elected. The group, believed largely composed of Christian officers, expressed bitter dissatisfaction at the outcome of the voting so far, feeling that the election of a number of pro- and anti-UAR extremists will inevitably lead to bitter strife between Christians and Moslems.

Previous reports have indicated that General Adil Shihab, Lebanese Army commander, has been greatly disturbed by the inept intervention in the elections by the chief of staff and the head of army intelligence. The results of the voting over the past two weeks may have increased his alarm. Several Moslem extremists already have won seats, and in the remaining two election phases--the one held on 26 June and the one on 3 July in predominantly Moslem areas--other extremists were expected to be elected. The general is thought to be included among the conspirators and may be their leader. The group is believed to be in contact with disgruntled Christian politicians.

The conspirators apparently intend to try to persuade President Fuad Shihab to suspend the constitution, install a military regime, and rule by decree. There is no indication that the group intends immediate action, although the new parliament could meet as early as mid-July.)

In early June the President, [redacted] expressed disgust with Lebanese politics, stating "the Lebanese cannot govern themselves--they must be governed." Shihab, in his exasperation with affairs, might be receptive to a greater role by the military in running the government.

A further indication of political instability is that President Shihab and the army are also objects of widespread discontent. Responsible Lebanese of all shades of political opinion are reported concerned over the blatant and open intervention in the elections by the army, which in past elections has remained neutral.

[redacted]

[redacted]

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Philippine President Blocks Anticorruption Measures

Philippine President Garcia's recent last-minute veto of three congressional acts he had requested in furtherance of his "antigraft" and "Filipino first" platforms has seriously embarrassed his Nacionalista party and further damaged his national stature. Violent criticism of the President's "weak and flimsy" reasons for vetoing the bills--a bill to strike at government corruption, a measure to tighten loopholes in Japanese reparations procurement, and a bill to curb alien monopolies in rice and corn distribution--is based on the widespread inference that Garcia has yielded to pressure from special interests, including local Chinese businessmen.

In the face of growing unpopularity, Garcia has been vigorously publicizing his determination to clean up his administration and to carry out a policy of constructive nationalism under the "Filipino first" slogan. He has further sought to soothe the irritations and alleged "grievances" against the United States in the hope of identifying himself with American favor. His recent actions, however, have tended to raise strong public doubts of his sincerity and to undermine the prestige accruing to his administration from the country's enthusiastic reception of President Eisenhower.

Garcia has thus offered new ammunition to the parties which will oppose him in next year's presidential election. The opposition may also benefit from the reopening of the rift between Garcia and other influential Nacionalista leaders which may affect his future ability to command majority support in Congress.

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Cuba Continues to Tighten Soviet Bloc Ties

The Castro regime continues its efforts to secure industrial goods and technical assistance through the conclusion of trade and aid agreements with the Sino-Soviet bloc. [redacted] the government's foreign commerce bank [redacted]

[redacted] ask Polish officials to authorize the Polish commercial mission in Havana to negotiate a long-term credit for industrial development similar to the agreements concluded by Cuba with the Soviet Union and Czechoslovakia. [redacted] the Cuban Foreign Ministry authorized visas for a Chinese Communist commercial mission. [redacted]

General discussions have taken place with Soviet officials on the possible construction of a steel plant, a petroleum refinery, and probably also smaller factories under the \$100,000,000 Soviet credit agreement concluded last February. A large number of Soviet technicians has already arrived in Cuba. A team of Soviet geologists is reported by a high Cuban official to be investigating the extraction of nickel in Cuba. It is possible that the technicians are working with the Cuban Government on a move against the US Government-owned Nicaro Nickel Corporation or the American privately owned Moa Bay Company, the only nickel companies operating in Cuba. [redacted]

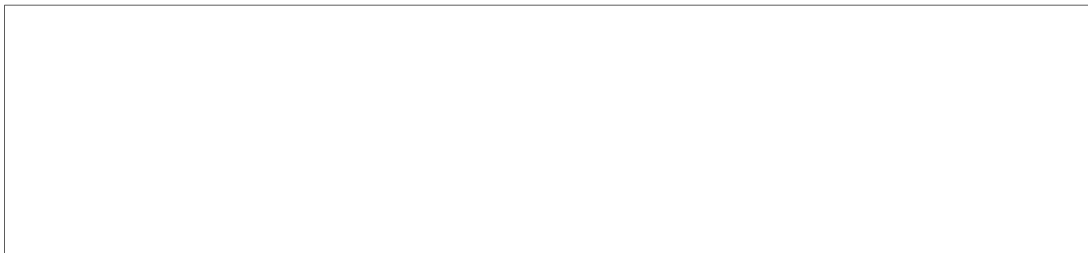
The departure of a Cuban mission, headed by Armed Forces Minister Raul Castro, for Czechoslovakia and the UAR indicates that Cuba is continuing to seek military aircraft which it has been unable to procure from other sources. It is not known whether agreements for the supply of bloc military equipment were concluded during the recent Cuban-Czech trade talks, but a high-level Czech official often associated with bloc arms deliveries is now in Havana. The Sino-Soviet bloc thus far, however, has not provided military aid to the Castro regime. [redacted]

Meanwhile, the Cuban Government's oil-storage facilities are full, and further shipments of Soviet petroleum are en route. This

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may well precipitate seizure of the country's major refineries,
American and British owned, which have refused to process
Soviet crude.



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The Director

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