

**TOP SECRET**

2 March 1962

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**CENTRAL  
INTELLIGENCE  
BULLETIN**



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CENTRAL INTELLIGENCE BULLETIN

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## DAILY BRIEF

USSR--Disarmament Conference: In Khrushchev's latest round of letters on the disarmament conference he was careful not to accept or reject the US-British proposals to hold a Big Three foreign ministers' meeting prior to the conference and to convene the conference at the foreign minister level. Present indications are that Khrushchev will probably finally agree to the Western proposal; he may make his plans public in his replies to the letters sent last week end by President Kennedy and Prime Minister Macmillan.

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On 28 February, Radio Belgrade's correspondent in Moscow reported "rumors" in the Soviet capital that Khrushchev will accept the US-UK proposal in the hope that it would "pave the way" for talks on Berlin between Secretary Rusk and Gromyko.

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\*Berlin: The East Germans have banned US Commandant General Watson from East Berlin "in retaliation for the US ban on Soviet Commandant Colonel Solovyev from the American Sector in force since last December 30." The East German news agency ADN said the ban was imposed by the East Germans at the request of the Russians. General Watson has not actually visited East Berlin since last December, when the East German police attempted to force his accompanying

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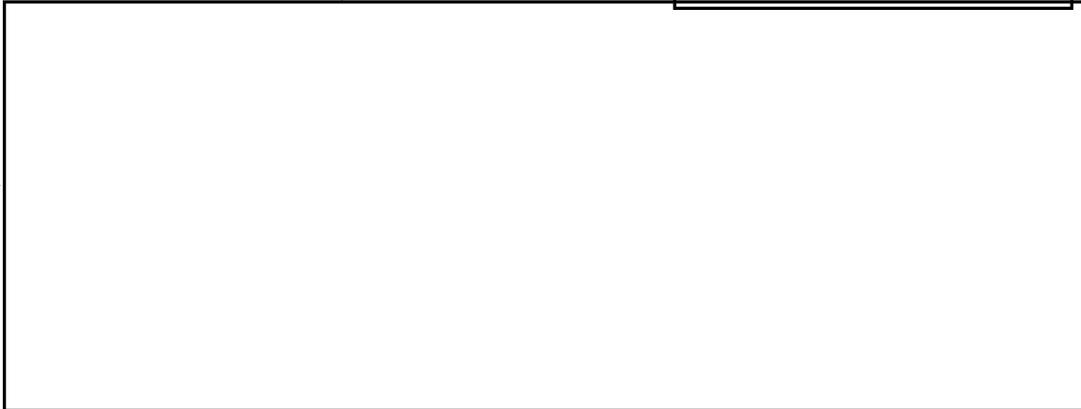
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civilian aides to show documentation at the Friedrichstrasse crossing point. The implication in the announcement of East German control of the sector border is a pointed reminder to the West, and particularly the United States, that the continued lack of progress in East-West negotiations on Berlin will result in a separate peace treaty and turnover of Berlin access controls to the East Germans.

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[Redacted]

\*South Vietnam [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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The Viet Cong recently has stepped up military operations after a month-long decline in activity. Last week an estimated 500 Viet Cong ambushed an engineer company and escort squad in central Vietnam, killing or wounding 21 of the 70 government troops. On 26 February, a Civil Guard company, attacked by a Viet Cong battalion southwest of Saigon, lost 26 killed, 22 wounded, and 30 missing; only 18 in the company escaped. According to press reports, government forces suffered additional casualties on 1 March in a clash northeast of Saigon. [Redacted]

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East Germany - USSR: Since the receipt on 21 February of the Adenauer government's reply to the USSR's aide-memoire of 27 December, Moscow has gone out of its way to reaffirm support of the existing regime in East Germany. Bonn had hinted that Ulbricht's removal would have beneficial effects on current Soviet efforts to improve relations with West Germany. Warsaw Pact chief Grechko and Soviet Army and Navy General Staff chief Zakharov, together with Marshal Konev, commander of Soviet Forces in Germany, attended ceremonies marking East German Army Day in East Berlin on 28 February. Their presence, coupled with Ulbricht's recent two-day visit to Moscow and the honors paid him by Soviet leaders, serves as a public demonstration of Moscow's unwillingness to question Ulbricht's leadership of East Germany at this time and thereby risk encouraging the hopes of the East German people for a sharp reduction of internal pressures.

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India: Despite the Congress party's loss, by narrow margins, of its majority positions in two Indian states, the over-all results of the Indian national elections held in late February demonstrate anew the party's dominance of Indian political life. \*With a little more than 400 of the 494 elective seats in the lower house announced, the Congress margin is holding at about the three-fourths majority the party held before the elections. In the states the broad trend was pro-Congress, although in several assemblies Congress majorities were substantially reduced as a result of factionalism and a resurgence of conservative, communal, and separatist sentiment. Congress is expected to form governments in all states, however, even in those where its loss of majorities will force it to rely on or to recruit independents.

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The Communist party appears to have held its 6 percent share of seats in the national parliament, aided by a strong showing in its strongholds of Kerala and Andhra Pradesh.

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Pakistan: The new authoritarian constitution proclaimed by President Ayub on 1 March will be opposed by most politically conscious elements. The opposition may be slow to express itself in view of the government's crackdown on anti-government agitation last month, although further disturbances in East Pakistan are possible when university students return to Dacca on 11 March from their enforced vacation.

No date for the promised elections has been set; martial law, which has been in effect since the army took over in 1958, will not be lifted until the new national and provincial legislatures are convened. The constitution incorporates the features of a strong presidential system of government--including indirect elections and veto power over legislation--which Ayub has long insisted is essential to stability at Pakistan's present stage of development. Political parties will continue to be banned, although they may later be "allowed" by an act of the national assembly, and the guarantee of fundamental rights is subject to consideration of public security.

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Morocco-USSR:

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[redacted] an arms agreement with the USSR was concluded within the framework of the one-year commercial accord signed in Moscow in mid-January. Some [redacted] tanks and artillery, [redacted] are involved and presumably are in addition to the gift of an unspecified quantity of light weapons and ammunition accepted in January. [redacted]

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[redacted] Soviet Defense Minister Marshal Malinovsky will visit Morocco this month at Ahardane's invitation, according to the Rabat radio. Some of the Soviet materiel may arrive coincident with this visit, as did the [redacted] Soviet MIGs during the visit of Soviet President Brezhnev last year. [redacted]

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\*Burma: The Burmese army has taken control of the "deteriorating situation" in the country, according to a 2 March announcement over Rangoon radio by General Ne Win, Chief of Staff of the Defense Forces. The status of Prime Minister Nu and his cabinet--whether they have been displaced or are to be maintained as a constitutional facade--has not yet been announced. If this seizure of power follows the pattern of the September 1958 takeover by Ne Win, it is probable that he will arrange for early approval of his action by parliament, which is now in session in Rangoon, thus reducing the danger of popular disorder. As of the morning of 2 March, the city of Rangoon was quiet.

The transfer of authority from Nu to Ne Win should result in stepped-up army pressure against Burma's various ethnic insurgents, an increase in the efficiency of governmental administration, and sharp restrictions on the activities of Burma's feuding civilian political cliques. Ne Win's previous administration was marked by a loosening of Burma's economic relations with the Soviet bloc to conserve foreign exchange and an increased reliance on the US for military supplies. His strong suspicion of the motives of all foreign powers, however, makes uncertain the course he will follow in the near future. [redacted]

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Khrushchev Refuses to Exclude Nonnuclear Powers From Disarmament Negotiations

Khrushchev's statements were contained in letters to President de Gaulle, Canadian Prime Minister Diefenbaker, and Swedish Prime Minister Erlander replying to their letters responding to his proposal for an 18-nation disarmament conference.

In his letter to De Gaulle, Khrushchev rejected the French President's proposal for a summit meeting on disarmament which would exclude the nonnuclear powers. Khrushchev insisted that these powers, "including the neutralist ones," must have the opportunity to make their own "positive contributions" to disarmament negotiations. Khrushchev pointed out, however, that the four nuclear powers have a "special role and responsibility" in the disarmament negotiations and expressed willingness to take part in a Big Four "exchange of views," which he said could "facilitate" agreement on the most important disarmament problems.

Khrushchev probably calculates that this insistence on participation of nonnuclear powers will strengthen the Soviet position among the nonaligned powers to be represented at the 18-nation conference. His assertion that the four nuclear powers must themselves agree on the problem of liquidating nuclear weapons and "prohibiting" nuclear tests is further evidence that Moscow may be preparing a new approach on the test ban question for presentation at the 18-nation conference--perhaps a ban limited to atmospheric testing, in line with the Kennedy-Macmillan proposal of 3 September. Moscow may believe that such a move could embarrass the West and stimulate unfavorable reaction to a US resumption of atmospheric testing.

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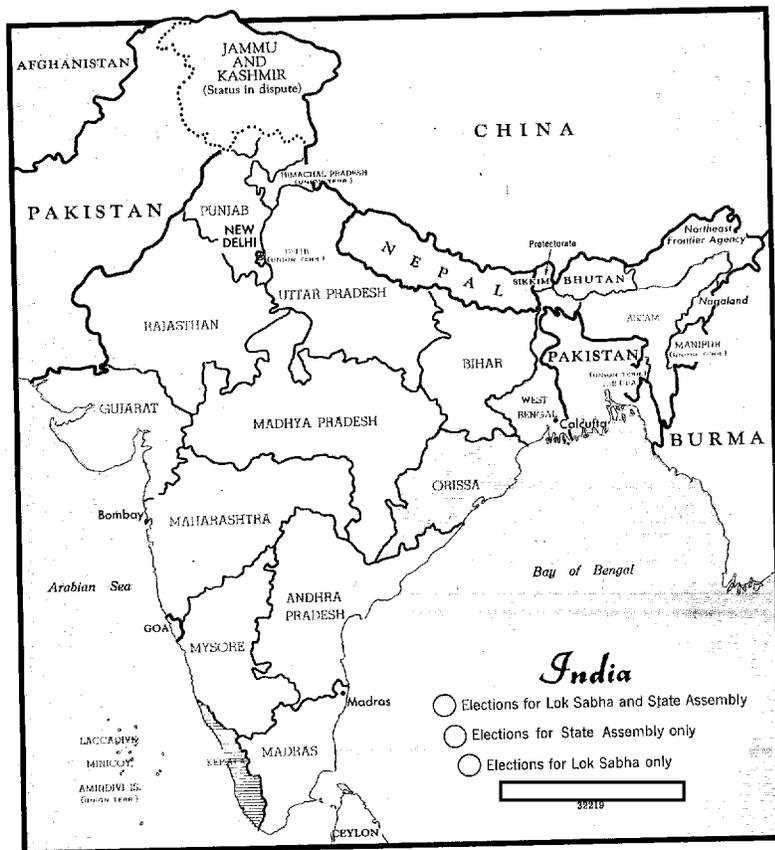
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Indian National Elections

The results of the election will continue the Communist party as the second largest parliamentary party, a position it attained in 1957 and has held since despite internal divisions. The party's strong showing in parliamentary races in Kerala, where Communists and Communist-supported independents took 10 of the state's 18 constituencies, suggests that the shaky anti-Communist coalition government in that state may be in for further trouble. The coalition, made up of the Congress and Praja Socialist parties, took office following a special election in 1960, and its fate was not directly at issue in this election. In other 1957 strongholds, the Communists--for lack of dramatic issues--either lost strength, as in Maharashtra, or merely held their own, as in West Bengal.

Nehru will probably interpret the election results, particularly at the national level, as a renewal of his party's mandate to press ahead in its aim of creating "a socialist pattern of society," with renewed emphasis on community development and cooperative farming. He will, however, be concerned at the persistence and strength of right-wing, traditionalist, communalist, and separatist sentiment--particularly at the state level, where parties espousing these sentiments will probably form the major opposition in five state assemblies. Even in the central parliament, the Hindu Jan Sangh will replace the Praja Socialists as the third-ranking party, and the total communalist and separatist strength may rise to 30 seats.

Nehru is acutely aware that India's most vexing problems lie in achieving national unity, that despite his strenuous efforts communal and separatist violence lies just beneath the surface of India's political life, and that the growing strength of parties which focus not on India's unity but rather on its separatism will pose even greater problems in the future. [REDACTED]

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President Ayub Proclaims New Constitution for Pakistan

Ayub has been promising a new constitution and elections ever since the army took over the government in 1958 and in the past has set several tentative dates. The Pakistani leader views himself more as a democratic leader than as a military dictator, and has initiated a number of needed reforms, including a limited land distribution program. Ayub feels that he is giving Pakistan a constitution especially suited to its peculiar needs, and has rejected the advice of intellectuals and experienced politicians who disagree with his assessment of those needs. Because he believes Pakistan lacks the traditions necessary to produce "good government" under a parliamentary system, Ayub intends to retain firm control by establishing a strong presidency subject to a minimum of legislative interference.

Having discarded the political party system, Ayub is depending heavily on the "Basic Democracies," a countrywide network of local government councils which he established early in 1960. These popularly elected local bodies are expected in time to educate the masses to participate in "responsible" government. They form the foundation of a political structure which will be capped by the East and West provincial assemblies and the one-chamber national "parliament." The 80,000 members of the local councils will form an electoral college to elect the legislatures.

The new constitution provides that the President will appoint the governors of East and West Pakistan as well as the members of his cabinet. Cabinet ministers, as in the American system, will not be members of parliament. There will be neither a vice president nor a prime minister under the projected system.

Ayub's failure to announce a firm election date suggests he prefers to test popular reaction to the constitution before committing himself to convening the legislative assemblies.

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