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19 March 1962

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CENTRAL INTELLIGENCE BULLETIN



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***France-Algeria:** According to press reports thus far received, the OAS seems to be responding to the announcement of the cease-fire with a strategy of harassing operations--reportedly ordered in a radio broadcast by Salan--instead of risking an immediate showdown by trying to foment a mass settler uprising or attempting a coup. The reported initial reaction of the settlers has been generally defiant, and suggests that many of them are willing to go along with OAS orders for the 48-hour general strike, despite the government's threat to draft personnel for essential public services. There have been several indications of support for the "National Committee of French Resistance in Algeria,"--formation of which the OAS announced on 17 March. One of these is the reported statement of several European and pro-French Moslem members of parliament to resist any "agreement with the rebels." Another is the reported motion voted by 2,000 reserve officers and non-coms in Algiers to "refuse, regardless of the consequences, to submit to any other authority except the 'authority of France.'"

The risk of assassination by the OAS, particularly during the first weeks following the cease-fire, will be great for individuals accepting responsible posts. Furthermore, by stepping up terroristic acts against Moslems, the OAS will severely handicap the efforts of infiltrated rebel leaders to restrain urban Moslems from turning violently on the settlers.

Another unfavorable omen for the transitional period between the cease-fire and independence is a reported refusal of cooperation from retired General Pierre Billotte--Billotte, a "leftist

Gaullist" had been picked by De Gaulle to become French High Commissioner in Algeria during the transitional period.

De Gaulle's statement on the cease-fire complimented the French Army on whose loyalty he depends for implementation of the accord and at the same time reminded his opponents that he has and will retain French public support for his Algerian policy. His stress on the role played by French republican institutions in the victory of "good sense" over "frenzy" is aimed at neutralizing efforts by the OAS to claim it is fighting the Gaullist "dictatorship." De Gaulle's reference to seeking public approval and national confidence suggests an early date for the expected referendum in France to legalize the agreements.

PAG leaders in Tunis have publicly warned that the cease-fire agreement does not automatically bring peace, and have called on French civil and military authorities to "cease their complicity" with the OAS. Should disorders be severe and prolonged, lingering PAG doubts as to the will and capability of Paris to guarantee implementation of the agreement will be reinforced; this could result in abrogation of the Evian accords.

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*Argentina: (information as of 0400 EST) Peronista candidates have made a strong showing at the expense of President Frondizi's Intransigent Radical party (UCRI) in the 18 March provincial and congressional elections. President Frondizi fears that this may prompt young officers to take armed action. Although the chief military target is Peronista Andres Framini, now governor-elect of Buenos Aires Province, the second most important political post in Argentina, Frondizi's position may also be at stake. [redacted]

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[redacted] top military leaders had agreed to oust Frondizi and hold presidential elections within a month if Framini were elected. Frondizi sent an emissary to Ambassador McClintock last night to request that he try to persuade the military from stepping in to negate Framini's victory.]

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[The emissary stated that Frondizi was determined that the federal government would take over Buenos Aires Province and would do so immediately if there were signs of violence, but he preferred to await certification of the ballots and then intervene on grounds that the Peronistas had "incited violence." Frondizi has begun talks with the secretaries of the armed forces to recommend this course of action. Before the elections, well-founded rumors were widely publicized that the armed forces would demand intervention of any province where a Peronista was elected governor; at least three governorships appear to have been won on neo-Peronista slates.]

[Preliminary unofficial returns indicate that the UCRI has lost control of the 192-man Chamber of Deputies, which jeopardizes Frondizi's economic reform measures under the US-backed stabilization program. Returns are too incomplete to determine the gains of the People's Radical party (UCRP), which already holds 48 uncontested seats in the lower house, but it appears that no party will have a majority. According to press sources, total national vote by party ranks the Peronistas first, followed by the UCRI and the UCRP.] [redacted]

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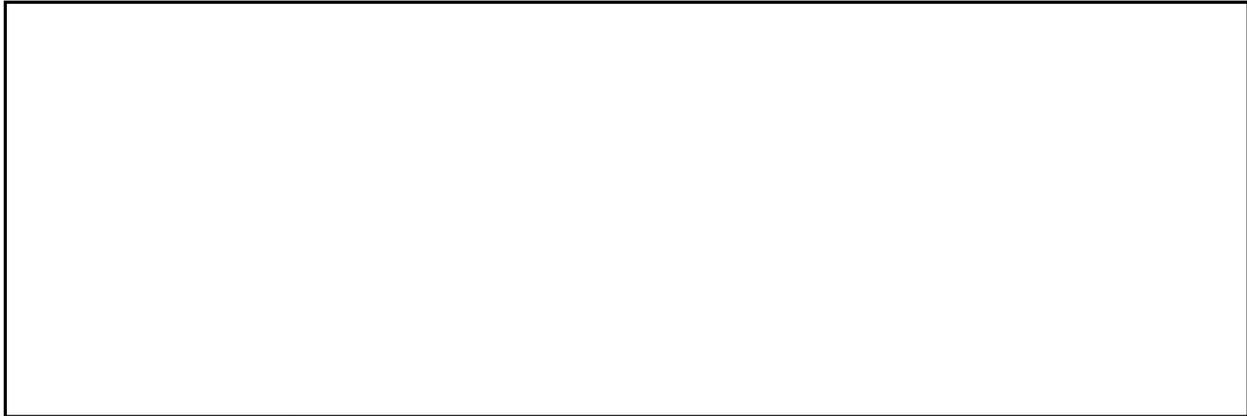
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Laos: Souvanna Phouma and Souphannouvong have taken the position that they can make no further adjustments in their proposed coalition slate without another meeting with the Vientiane leaders. Previously, Souvanna had favored negotiations with Western representatives aimed at reaching common accord on a cabinet which could then be referred to Vientiane; he had said that he would accept any arrangement suitable to both the West and Pathet Lao leader Souphannouvong. Aside from Souphannouvong's coolness to this approach, Souvanna's change in attitude probably stems from King Savang's recent public endorsement of the Boun Oum government, which Souvanna views as a serious development in Vientiane's long-term campaign to force him to admit inability to form a government.

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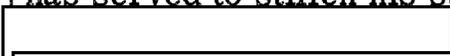


At a meeting with British Ambassador Addis in Khang Khay on 16 March, Souvanna and Souphannouvong said that their future bargaining would be based on the principles that the key posts of defense, interior, and foreign affairs must go to the neutralist center, and that posts allowed to the two wings--Vientiane and the Pathet Lao--must correspond in number and importance. Luang Prabang was considered as a possible site for another "three princes" meeting, but Souvanna said he would not invite Phoumi until sure of his acceptance. Phoumi has been consulting his military and civilian supporters on Vientiane's course of action, but resumption of enemy shelling of the Nam Tha airstrip in northwestern Laos on 18 March has served to stiffen his stand against Souvanna.

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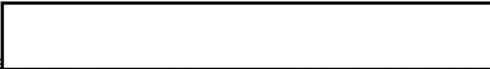
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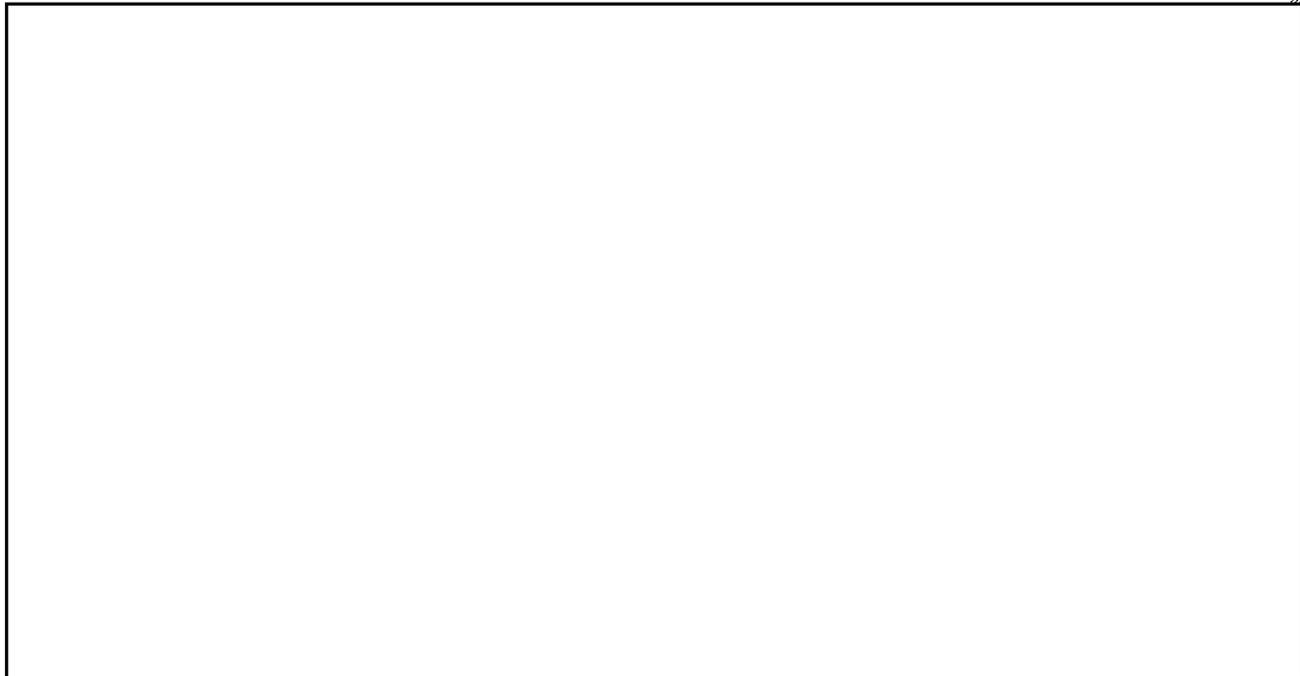
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Congo: The meetings between Adoula and Tshombé, originally scheduled for 15 March, are reportedly under way. Ambassador Gullion is not optimistic; he describes Adoula as pessimistic and "muleish" and believes that if Tshombé adheres to the tough position indicated in some of his briefing papers, prospects for a successful meeting "are very dim."

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Failure of the talks could have serious consequences. Adoula has become increasingly irritated with the UN Command for its refusal to support Congo Army operations in northern Katanga. He informed UN officials on 15 March that unless the problem of Katanga's secession was solved by the end of April, he would have to ask the UN to withdraw and allow the Leopoldville government to use whatever means it could to deal with the problem. Should the talks breakdown, Adoula is likely to press for UN assistance or withdrawal, and to seek bilateral aid from Afro-Asian and bloc states.

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Japan: The Japanese Socialist party is making a determined effort to block Diet ratification of the agreement signed on 9 January to repay \$490,000,000 to the US for assistance in rehabilitating Japan after World War II. The Ikeda government is seeking ratification in the lower house by 7 April in order to allow action in the upper house prior to adjournment in early May. The Socialists are claiming that the assistance was provided without formal agreement, that there was no understanding for repayment, and that much of the relief food was either alien to the Japanese diet or consisted of "animal feed" unfit for human consumption. They are endeavoring, as in the US-Japanese security treaty issue in 1960, to rally the press and public demonstrations against "forcible passage" of the measure by the government majority and may boycott legislative deliberations or resort to violence to prevent it. Socialist success in arousing significant press and public support, while not considered likely, could disrupt the tenuous unity within the Liberal-Democratic party on which Prime Minister Ikeda's position depends.]

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South Korea: The law governing future political activity announced by the junta on 16 March demonstrates the military regime's intention to control the participation in politics for the next six years of persons associated with former civilian governments. The law provides for the screening of all persons who wish to engage in political activity to determine their acceptability to the military regime. It is part of a general scheme to assure the influence of the present ruling groups over the civilian administration promised for 1963. The hostile reaction of the politicians is emphasized by the threat of President Yun Po-sun--the only leading political holdover from the former government--to resign in the protest against the regime's move to perpetuate its power. The junta has failed to win any broad political support, and this]

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[redacted] move could seriously reduce the prospects for restoring effective cooperation with important political elements and the participation of civilians in a future government. Persons barred from politics may seek alliance with disgruntled factions in the junta and the armed forces in efforts to unseat the regime. [redacted]

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UAR-US: The controlled UAR press and MENA, the official UAR news agency, gave wide dissemination on 15 March to two attacks on US policy in Southeast Asia by the Communist-front Afro-Asian People's Solidarity Committee (AAPS). The first of these, by the North Vietnamese "commercial representative" in Cairo, charged that the United States is using poisonous gases and bacteriological warfare in South Vietnam. "American imperialist" intervention was strongly condemned, and demands were made for the withdrawal of American military and civilian personnel from South Vietnam. The same media also broadcast an attack by the acting secretary general of the AAPS, who is the official Egyptian representative to AAPS. On 14 March, he charged the United States with "armed aggression" in Laos and demanded the end of "United States armed interference" and the withdrawal of SEATO arms and officials. Communist countries have found the various Afro-Asian front organizations operating in Cairo useful vehicles for transforming anti-colonial sentiment into anti-American propaganda.

Despite their tight grip over their propaganda media, UAR officials contend that the AAPS is a private organization whose statements cannot be controlled. The charges will be picked up and replayed by the Arabic press outside the UAR, and may gain wide credence among important segments of the Middle East public. [redacted]

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Bulgaria: The appointments of new ministers of defense and interior announced on 16 March represent an important victory for the pro-Khrushchev leadership of party First Secretary Todor Zhivkov over the powerful Stalinist faction in the Bulgarian Communist party. Last November the party leadership embarked on a de-Stalinization campaign with the ouster from the politburo of Vulko Chervenkov, party boss and premier during the Stalin era. At that time, Chervenkov vowed to fight, predicting that the outcome would not become apparent until the next party congress, which now is scheduled for late August 1962.

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Guatemala: The Ydigoras regime continues in a precarious position despite the decline in street fighting after the army took over from the police on 16 March. It will be difficult if not impossible for Ydigoras to live down the police excesses during the four days of mob violence. Professional and business groups have joined in the demand for his resignation.

Anti-Communist opposition parties are fearful of a pro-Communist takeover unless Ydigoras resigns quickly in favor of an interim regime in which they and the military will participate. These parties--the moderate leftist Revolutionary party, which has significant popular support; the rightist National Liberation Movement; and the small Christian Democratic party

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have been in contact with military leaders who--if they remain united--hold the key to the situation. The military would almost certainly act to remove the President before permitting an extremist takeover, and some officers have already been discussing the alternatives of a military-civilian regime to replace Ydigoras.

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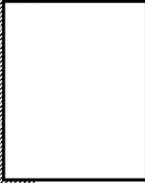
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Situation Report--Singapore: The moderate leftist People's Action party (PAP) government of Lee Kuan Yew has lost much of its popular support to the extreme leftist opposition, the Barisan Socialist party (BSP). Communist-oriented BSP leaders, who face almost certain arrest if the merger of Malaya, Singapore, and British Borneo is carried out as projected, possibly late this year, have been attempting to arouse Singapore's overwhelmingly Chinese population against the merger. The BSP has failed to force Lee's government out by parliamentary means. It is expected now to turn to demonstrations, strikes, and possibly mass violence to frustrate the establishment of Greater Malaysia.

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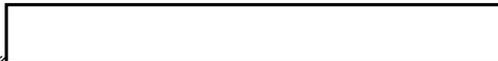


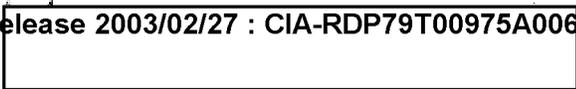
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Congo

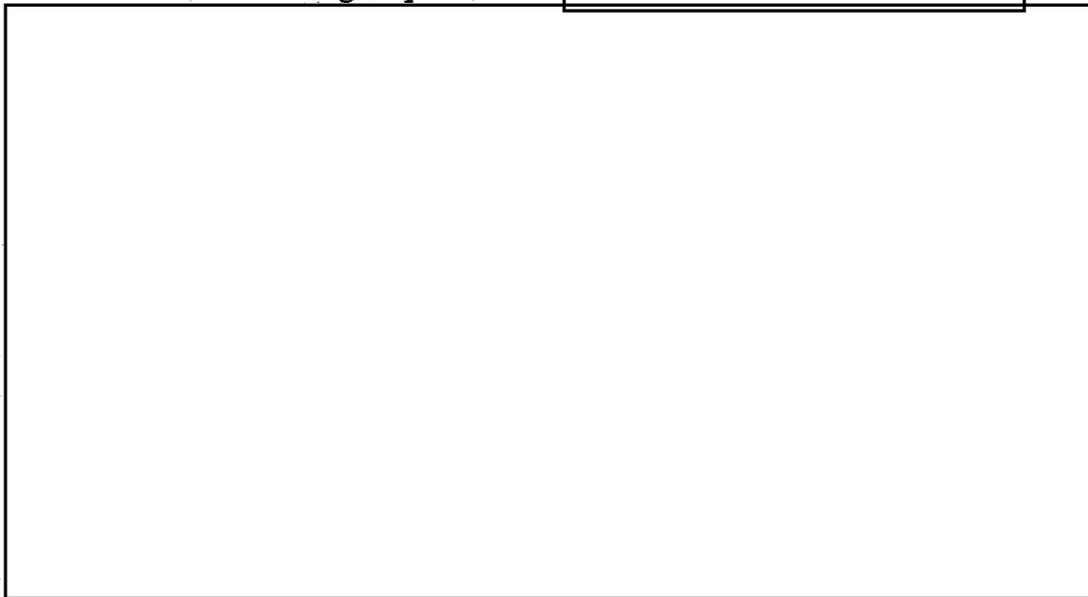
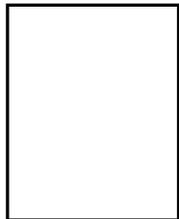
Adoula told Ambassador Gullion on 14 March that "it was time to find out whether Tshombé would or would not integrate Katanga." He said he was prepared to listen to anything Tshombé had to say, but said his "heart did not exactly flutter" in anticipation of any positive results.

UN civilian chief in the Congo Gardiner contends he is not concerned over Adoula's demands that the Katangan issue be settled by late April, and he does not believe Adoula will really press for a showdown with the UN. Ambassador Gullion, however, finds Adoula's demands on the UN "disquieting." Adoula may be in serious political trouble unless he can show parliament some positive results on the Katangan problem.

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While negotiating with Adoula, Tshombé and Katangan leaders are attempting to weaken Adoula's parliamentary support and to undercut what control Leopoldville has established in northern Katanga. Tshombé's Conakat party, through offers of government posts and a share in Katangan revenues, is trying to work



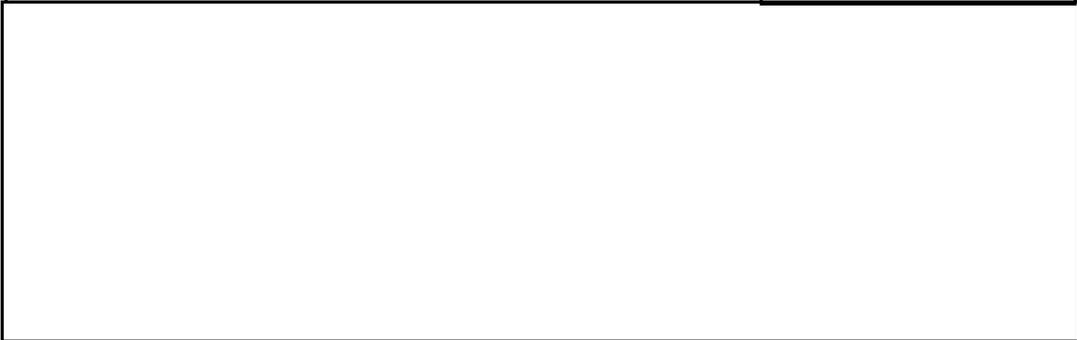
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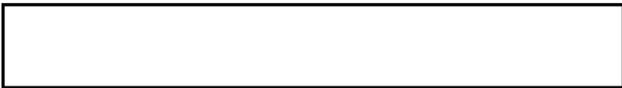
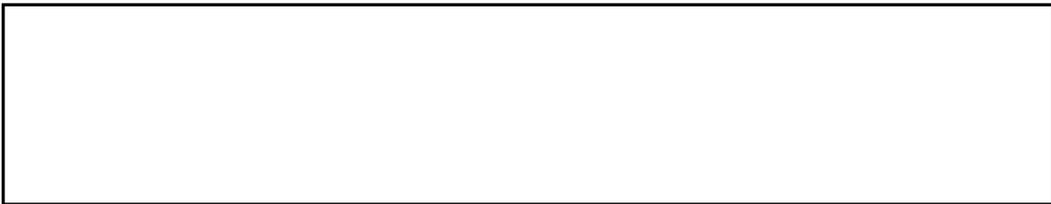


out a reconciliation with Baluba tribal leaders. Gullion does not expect these maneuvers to succeed, but he reports that some Baluba leaders are obviously tempted.

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Situation Report: Singapore

(The Barisan Socialis party (BSP) was the left wing of the governing People's Action party (PAP) until mid-1961. It split with Prime Minister Lee over the terms of the Greater Malaysia merger scheme, which, according to party Secretary General Lim Chin Siong, will lead to the permanent domination of Singapore by Malaya and of the Chinese community by the Malays. Under the proposed merger plan, the federation government will take over foreign policy, defense, and internal security, but will leave control over labor and education to Singapore.)

When the BSP left the PAP it carried with it many of Singapore's strongest labor unions, the radical student leaders in the Chinese schools, and nearly half of the PAP assembly members. It had hoped to defeat Lee's government on a confidence vote and force new elections, which it expected to win. Lee, however, deftly parried leftist attacks in the recent legislative session. Gathering support from his rightist opponents, who were unwilling to see Singapore fall under BSP control, he obtained approval in principle of the merger scheme and, even more important, the passage of a budget which will provide funds for the government through the middle of 1963, by which time merger presumably will have been accomplished.)

Lee's parliamentary successes have left the BSP only popular demonstrations and mass violence as means of blocking the merger. His government, through a combination of firmness and moderation, successfully contained a series of minor student demonstrations and labor disputes in December and January which threatened to spark mass disorder, and, for the time being, conditions in Singapore are relatively calm. As plans for merger become more firm, however, and the situation of the BSP more desperate, more ambitious attempts at strikes, demonstrations, and mass violence are likely. Malaysian Prime Minister Rahman, uncertain of Lee's ability to maintain control over the Singapore situation until merger is accomplished, is urging the early arrest of the BSP leaders as a precautionary move.)

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