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6 January 1961



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CENTRAL INTELLIGENCE BULLETIN



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6 JANUARY 1961

I. SPECIAL ITEM

Situation in Laos. ①

II. THE COMMUNIST BLOC

East German refugee flow to West Berlin heavy during holiday period. ②

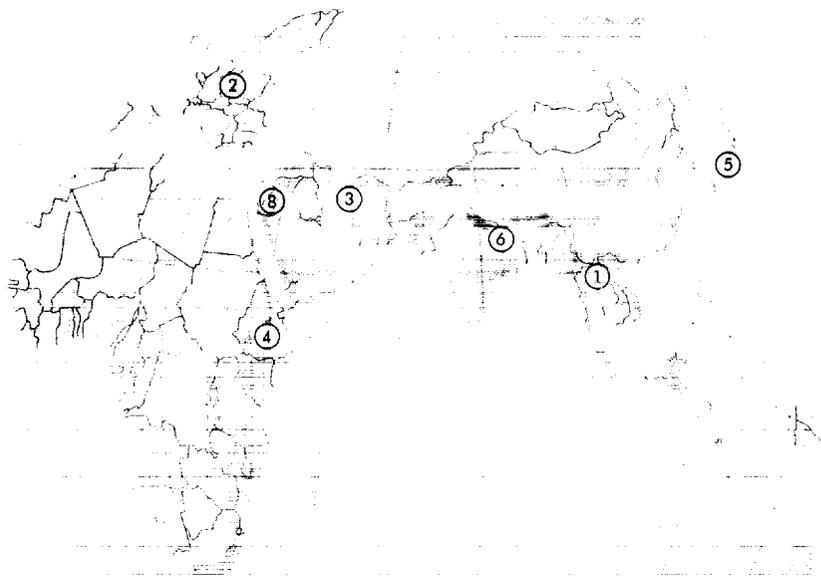
III. ASIA-AFRICA

Iran--Shah has apparently decided to rig impending parliamentary elections to assure victory of pre-selected candidates. ③

Ethiopian Emperor's failure to follow up success in crushing recent revolt raises doubts in Ethiopia over his ability to reassert one-man rule. ④

Japanese Socialists adopt new moderate approach in effort to rally popular opposition to some government policies. ⑤

Nepalese Communists and former ruling Nepali Congress party have begun separately to operate underground in opposition to King's takeover of government. ⑥

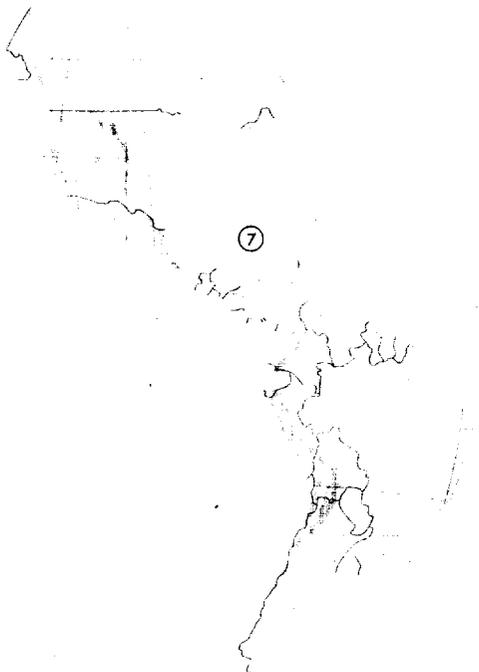


IV. THE WEST

⑦ Mexican foreign minister says Cuban situation is problem for Cuban people but they may need some outside help.

LATE ITEM

⑧ Beirut rioting may force Lebanese President Shihab to form military government.



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CENTRAL INTELLIGENCE BULLETIN

6 January 1961

DAILY BRIEF

Sriab

I. SPECIAL ITEM

Laos: While sporadic skirmishing has been reported, there has been no appreciable change in the areas held by the opposing forces during the past two days. Even if agreement in principle is soon reached on reactivation of the ICC, the time required to get the commission in place and to agree on the terms under which it would operate would permit both sides to engage in considerable military activity in order to be in the best position should a truce be declared.

The Boun Oum government, its investiture by the National Assembly now completed, is sending an emissary to Phnom Penh in an effort to persuade Souvanna Phouma to recognize the new government; an ambassadorship or some other post may be offered Souvanna.)

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II. THE COMMUNIST BLOC

Berlin: The near record refugee flow to West Berlin over the holiday period reflects the deep-seated disaffection of the East German populace, even among doctors, teachers, and technical men, to whom the regime has been granting special political and economic concessions. Some relaxation in East German controls also probably contributed to the fact that 4,345 refugees were able to flee to West Berlin in the week ending 3 January. The refugee flow to Berlin in the last twelve months has totaled more than 150,000--as compared with 90,000 in 1959. Ulbricht's difficulty in dealing with this problem is complicated by the USSR's desire to keep tensions over Berlin down pending a period of East-West negotiations.

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III. ASIA-AFRICA

Iran: [After several weeks of hesitation, the Shah appears to have decided that the parliamentary elections which are expected to start sometime this month should again be rigged to assure the choice of pre-selected candidates. Commentary in the Iranian press on these elections, in contrast to the treatment of the August elections, has been very scanty, apparently because the regime hopes to reduce the impact of electoral chicanery on the public. Iranian security officials expect demonstrations but believe they can handle them easily. One high security official expressed the view that the "real and tragic damage" which will result from these elections will be the irreparable widening of the gap between the regime and the people]

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Ethiopia: Emperor Haile Selassie's failure to follow up his success in crushing the recent attempt to depose him with positive steps to reconstruct his regime has paralyzed normal governmental operations and is raising doubts among Ethiopians regarding his ability to reassert his one-man rule over Ethiopia. On 3 January a high security official appealed for calm over Radio Addis Ababa and denied the credibility of numerous rumors circulating in the capital. While the American ambassador foresees no immediate breakdown of public order, he points out that trouble could break out if the Emperor fails to take early steps to quell the discontent.

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Japan: [The Socialist party has begun a campaign to rally popular opposition to government negotiations for settlement with South Korea by pointing out that Seoul cannot speak for all of Korea. Since mid-October the Socialists have shifted their tactics away from the mass action of last summer to attacking the conservative government in parliament on issues with wide popular appeal such as renewal of Sino-Japanese relations and]

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DAILY BRIEF

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opposition to Japan's defense build-up. The more moderate Socialist approach in the present political context offers considerable danger to the government and to US-Japanese relations. [redacted] (Page 7)

Nepal: Leaders of both the Communist party and the former ruling Nepal Congress party have begun separately to operate underground in Nepal. They are also engaging in organizational activities in India in opposition to the takeover of the government by King Mahendra. The King's 5 January ban on political parties will strengthen their determination to oppose his direct-rule policies. Former Deputy Prime Minister Subarna Shumshere, who has been in Calcutta since the King's takeover in December, is already in contact with Indian government leaders and has reportedly received New Delhi's covert blessing for "limited resistance activities." Subarna has, however, ruled out collaboration with the Communists. [redacted]

IV. THE WEST

Cuba: Latin American reaction to the US-Cuban diplomatic break thus far has been mixed and fragmentary. The most striking comment has come from Mexican Foreign Minister Tello. He told US Embassy officials that while the Cuban situation is a problem for the Cubans themselves, they will need "a little bit of outside help." He implied that the problem could be dealt with by the Organization of American States, under its Caracas Resolution of 1954 against international Communism. Mexico is a strong proponent of the concept of nonintervention, and this is the furthest any Mexican official has yet gone toward condoning external action to solve the Cuban problem. Tello also spoke of the great difficulty of influencing Cuba back into the American family of nations--a sharply contrasting attitude to the warm official reception given by Mexico to Cuban President Dorticos last June. [redacted] (Page 9)

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DAILY BRIEF

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LATE ITEM

*Lebanon: Fears that Moslem rioting in Beirut on 4-5 January might lead to Christian-Moslem strife may force President Shihab to accede to pressures from some army elements for a military takeover of the government, according to Ambassador McClintock. Rivals of Prime Minister Salam, including former Prime Minister Yafi, apparently instigated the disorders hoping to bring down Salam's cabinet. Although Shihab has become increasingly disillusioned with Lebanese political leaders, whom he contemptuously terms "cheese-eaters," he has consistently resisted past suggestions that he form a military government

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V. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES

(Available during the preceding week)

Chinese Communist Atomic Energy Program--Summary and Conclusions: Organization, Technical Capabilities, Ore Production, Soviet Aid, and Likely Dates for First Chinese Production Reactor to Attain Criticality and for Detonation of a Nuclear Device. NIE 13-2-60. 13 December 1960.

Probable Communist Intentions in Laos and Factors Likely to Affect Future Soviet, Chinese, and North Vietnamese Moves. SNIE 68-2060. 28 December 1960.

Soviet Atomic Energy Program. Graphs, Maps, Tables. NIE 11-2A-60. 21 June 1960. (Disseminated 14 December 1960.) 116693.

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DAILY BRIEF

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Situation in Laos

Scattered skirmishing between Pathet Lao/Kong Le forces and government troops has been reported in the past two days, but there appears to have been no appreciable change in the areas held by the opposing forces. The Pathet Lao and Kong Le appear to be consolidating their control in the Plaine des Jarres area and are exerting pressure on government paratroop elements dropped a few miles outside Xieng Khouang town on 1 January. The government post at Ban Ban to the northeast also appears to be under strong enemy pressure. Government elements in Xieng Khouang Province are widely scattered and will have to regroup and be reinforced before any attempt to retake the Plaine des Jarres can be undertaken.

[Elsewhere in the country, a government blocking position north of Luang Prabang came under mortar fire on 4 January, possibly presaging an early increase in Pathet Lao pressure on the royal capital.] Communist radio claims of Pathet Lao successes in other parts of Laos are probably considerably inflated, although guerrilla activity is believed to be on the increase in southern and central Laos.

[Premier Boun Oum, his government now formally invested by the National Assembly, has informed Ambassador Brown in Vientiane that one of his cabinet ministers will leave shortly for Phnom Penh in an effort to persuade Souvanna Phouma to recognize the legality of his regime. An ambassadorship or some other government post may be offered Souvanna as an inducement to drop any pretension he may entertain that he still heads the legal government of Laos. Souvanna recently indicated to the press that he would resign the moment the Boun Oum government was constitutionally established; however, he is subject to strong Soviet influence in Phnom Penh and may not follow through on his promise. Even though he appears unlikely to proclaim a government-in-exile, he may choose simply to remain silent.]

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[thus keeping himself free to come in as a compromise premier in a negotiated settlement, which he may feel will be the final upshot of the crisis in Laos.]

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[The Boun Oum government continues to show a strong anti-French animus, stemming from the belief that the French were behind the Kong Le coup and openly favored leftist elements in the struggle between Savannakhet and the Souvanna government in Vientiane. The government has ordered all French civil servants and military personnel in southern Laos to congregate at the Seno military base near Savannakhet. All such persons in the First Military Region in northern Laos have been ordered to return to Vientiane. In his conversation with Ambassador Brown, Boun Oum reiterated his government's intention to take over Seno, the use of which was granted to the French under the 1954 Indochina Armistice Agreements.] []

The Boun Oum government has indicated a willingness to consider reactivation of the ICC in Laos if all signatories to the 1954 Geneva Agreements desire this and if the Geneva co-chairmen--Great Britain and the USSR--submit the request for recall to Boun Oum's Ministry of Foreign Affairs. The USSR, Communist China, and North Vietnam--which signed the Geneva Agreements along with Britain, France, and Cambodia--continue to call for reactivation of the ICC but have insisted that all dealings be with ex-Premier Souvanna Phouma. Even if agreement in principle is soon reached on reactivation of the ICC, the time required to get the commission in place and to agree on the terms under which it would operate would permit both sides to engage in considerable military activity in order to be in the best position should a truce be declared.

All ten Soviet IL-14s made flights into Laos on 4 January and were scheduled for ten more flights on 5 January. []

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East German Popular Disaffection Reflected in High Refugee Flow

A near record holiday flow of more than 7,000 refugees reached West Berlin in the two weeks including Christmas and New Year's--some 4,345 in the week ending 3 January. This influx brings the total number of escapes to West Berlin in 1960 to more than 150,000, compared with less than 90,000 last year. Escapes to both West Berlin and West Germany this year totaled just under 200,000, compared with less than 144,000 in 1959. Among the refugees are many medical men, teachers, engineers, technicians, and skilled workers whose services are vitally needed by the Ulbricht regime.

In recent weeks, the regime has sought to stem the flow at least among professional people. Medical men, teachers, and engineers have been promised better living conditions, some relief from political pressures, and an opportunity to follow their professional preferences. Party boss Ulbricht took a conciliatory line in his report to the eleventh central committee plenum in mid-December, admitting even that "sometimes there is reason for dissatisfaction" in East Germany. He reproved officials for using "crude" methods toward professional men and intellectuals and ordered instead the use of persuasion.

Left to himself, Ulbricht probably would sharply intensify controls on East Germans desiring to travel to West Berlin and West Germany. However, he must instead fall in line with the USSR's desire to keep tension over Berlin at a low point for at least the time being. The regime has therefore reduced controls within Berlin and reportedly in mid-December liberalized the granting of permits to visit the Federal Republic. As Ulbricht complained in his speech to the party plenum: "We had to and still must compete with imperialist and capitalist West Germany with open frontiers. This is not easy."

In past months, there has been evidence that East German party functionaries have been critical of Khrushchev's decision to delay a solution of the Berlin question. Although Ulbricht has always seemed to accommodate himself to Khrushchev's tactics and has kept such elements in line, internal party pressures for harsher policies to prevent escapes will probably mount.

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Shah Appears Determined to Rig Parliamentary Elections

[The Shah has apparently received conflicting advice on the conduct of the elections: one school, exemplified by former Prime Minister Eqbal, maintains that they should be completely controlled; the other view, held by Bakhtiar and presumably by Sharif-Emami, is that a free choice should be permitted among carefully selected candidates. It now appears that the Eqbal approach has not only won out but that Sharif-Emami has himself been persuaded to support a policy he has previously deplored. The Shah, however, is likely to be under pressure, up to the day the voting begins, to reverse this policy. In contrast to its treatment of the abortive elections of August 1960, the Tehran press has nearly ignored the coming elections. This appears to be an attempt by the regime to reduce public interest and thus avoid a repetition of last year's widespread criticism]

[Bakhtiar and other security officials expect demonstrations if rigged elections are repeated, but none that cannot be]

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[controlled. He believes that the "real and tragic damage" will be the irreparable widening of the gap between the regime and the people. The violent repression of demonstrations could precipitate formation of a unified nationalist opposition controlled by radical elements.] [redacted]

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Ethiopia Faces Growing Instability

Emperor Haile Selassie has failed to follow up his success in crushing the recent attempt to depose him by taking positive steps to reconstruct his regime. As a result, normal governmental operations have become paralyzed, and there are indications that some Ethiopians are beginning to doubt his ability to reassert his one-man rule in Ethiopia. The Emperor's inaction and his recent public pronouncements reveal an intense preoccupation with the security of his regime and with the lack of personal loyalty displayed toward him during the abortive coup. Meanwhile he is completely disregarding the need for reforms.

Continued instability in the capital was demonstrated on 3 January when a high security official made an appeal over Radio Addis Ababa for calm and declared that rumors circulating in the capital were groundless. One rumor--that the army has threatened to "take action" unless it receives an immediate pay raise--is causing considerable apprehension in government circles, in part because the short-lived coup government promised such a raise. The American ambassador observes that even if this rumor has no factual basis, it might create sufficient discontent to cause possible action by the army or by individual soldiers. Regarding another rumor--that Ethiopian foreign officials have defected and are seeking political asylum--the ambassador indicated that a number of officials are known to be dissatisfied with the prevailing situation in Addis Ababa and that there now is much more criticism of the Emperor than before the attempted coup.

Despite indications that his shaky regime may face even more serious difficulties, the Emperor is reported opposed to making concessions to progressive younger elements who advocate some of the reforms also promised by the rebels. He is said to be seeking advice only from the surviving members of the conservative old guard who oppose changes in present government policy, in the hope of maintaining the status quo. While the ambassador foresees no immediate breakdown of public order, he believes there may be trouble if the Emperor fails to take early steps to quell the discontent (NOFORN)

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New Socialist Strategy More Dangerous to US
Interests in Japan

[On 3 January the Japanese Socialist party began a campaign to rally popular opposition to government negotiations for an over-all settlement with South Korea by pointing out that Seoul cannot speak for all of Korea. The Socialists issued a statement that an agreement would perpetuate the partition of Korea and open the door to formation of a northeast Asian military alliance among Japan, South Korea, Nationalist China, and the Philippines. They are also exploiting popular apprehension that no settlement of Korean financial claims will be final if North Korea is excluded.]

[This attack is in line with tactics adopted by the party in mid-October, when it abandoned last summer's mass demonstration tactics and began attacking the conservative government in parliament on issues having wide popular appeal. This new moderate approach in the present political context offers considerable danger to the government and to US-Japanese relations.]

[During the special Diet session which ended on 22 December, the Socialists replaced last year's frontal attack on the US alliance with a less direct one in the form of a widely appealing argument for neutralism. They argued that the consequences of US dollar-protection measures support their position that Japan can no longer depend wholly on the US for trade and should renew trade relations with Communist China. They maintained that the Japanese economy cannot afford increased defense expenditures, that American military assistance will soon be drastically cut because of the US balance-of-payments problem, and that the Japanese must therefore seek security in nonaggression pacts with their Communist neighbors.]

[The theoretical basis of the new Socialist tactics is the so-called "structural reform" program promoted by Secretary

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(General Saburo Eda and modeled on pronouncements of Italian Communist party Secretary General Togliatti. This program calls for de-emphasizing class struggle and long-range goals which can be accomplished only after the Socialists have come to power and for concentrating on immediate popular issues where there is a possibility of forcing changes in government policy. The program probably represents only a temporary shift to gain greater popular support. Its unacknowledged goal is to create a series of government crises, to topple successive conservative governments, and eventually to undermine conservative strength.

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Latin American Reaction to US-Cuban Break

Latin American reaction to the US-Cuban diplomatic break thus far has been mixed and fragmentary. The most striking comment has come from Mexican Foreign Minister Tello, who told American Embassy officials that the exertion of any influence to bring Cuba back into the American family of nations would be most difficult since Cuba's recent actions demonstrate its complete alignment with the Sino-Soviet bloc. He said that while the Cuban situation is a problem for the Cubans themselves, they will need "a bit of outside help" in some form which would not "lower the prestige of any nation." He said that the Cuban problem could only be dealt with by the Organization of American States (OAS) through the provisions of the Caracas resolution of 1954 against international Communism, but he added that this would preclude any Mexican involvement in the voting. Mexico remains the only Latin American nation which has not endorsed the 1954 resolution.

The US Embassy in Mexico City sees this statement as an indication that Mexico may "convey a benevolent nod for someone else to terminate the Cuban headache while Mexico goes on abstaining." Mexico has long been a staunch supporter of the doctrine of nonintervention, and the Tello statement is the furthest any Mexican official has yet gone in condoning external action to solve the Cuban problem. Some Mexican officials have publicly voiced their sympathy for the Cuban people and the aims of their revolution since June 1960, when Cuban President Osvaldo Dorticos was received warmly by Mexican officials as well as the general public during his tour of the country. This attitude has been due both to Mexico's finding an analogy between the Cuban and Mexican revolutions and to mounting leftist pressures on the Lopez Mateos government.

A Brazilian Foreign Office official criticized the US for not consulting the other OAS governments beforehand, and

expressed fears that the break will play into Castro's hands in his efforts to drive a wedge between the United States and the rest of Latin America. Venezuelan Foreign Minister Falcon Briceno commented favorably on the US action and said that he considered it inevitable; Haitian Foreign Minister Baguldy expressed a similar sentiment. Venezuelan relations with Cuba are already strained, and Ambassador Sparks in Caracas feels that Venezuela's future course in regard to Cuba will be determined by the degree of satisfaction of the Betancourt government with the outcome of the 4 January OAS council meeting, which voted to impose limited economic sanctions against the Trujillo dictatorship in the Dominican Republic. Costa Rican and Panamanian officials have indicated that their governments now are considering the possibility of breaking diplomatic ties with Cuba.

Uruguayan officials have indicated their government may use the Cuban precedent in demanding the reduction of the US diplomatic mission in Havana to the same level as the Cuban representation in Washington as a means of trimming the size of the Soviet diplomatic mission of some 30 individuals in Montevideo to the three Uruguayans in Moscow.

Meanwhile, there is no evidence of a Cuban move against the US naval base at Guantanamo, but the Cuban ambassador to Mexico said on 3 January that his government would present a "petition" to the United Nations "to have the base eliminated."

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