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3 June 1961

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CENTRAL INTELLIGENCE BULLETIN



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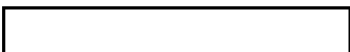
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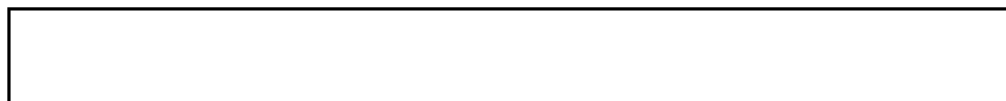
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6. USSR: Pravda article reiterates importance of Berlin problem on eve of Khrushchev talks with President.
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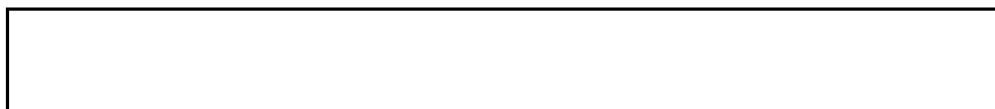
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DAILY BRIEF

*Dominican Republic: [Arbitrary arrests, torture, and murder of suspected dissidents have been intensified as the dead dictator's survivors seek to avenge his assassination. The American consul reported on 2 June that moderate dissident elements in the capital are terror-stricken and are urging the United States to send help immediately on whatever pretext. The consul was informed that General "Ramfis" Trujillo, the late dictator's 31-year-old son who on 1 June was named head of the joint chiefs of staff of the Dominican armed forces, has vowed to "wipe out" the opposition. The consul is convinced that President Balaguer is now "firmly in the hands of 'Ramfis', Abbes, and company." John Abbes, de facto head of the hated Military Intelligence Service, is one of the most ruthless of the Trujillo hatchetmen and has long been associated with the clique around "Ramfis."]

[Meanwhile, Venezuelan President Betancourt told the American ambassador that he intends shortly to issue a categorical statement that he will use Venezuelan air, naval, and if necessary, army forces to prevent any Cuban invasion of the Dominican Republic.]

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25X1 South Korea: The revolutionary Supreme Council for National Reconstruction voted on 2 June to relieve Lieutenant General Chang To-yong of his substantive posts--army chief of staff, minister of national defense, and martial law commander, [] Chang for the time being will retain the titular post of chairman of the Supreme Council. The move allegedly results from Chang's procrastination in supporting the coup during its early hours on 16 May, the council's belief that Chang is regarded by US officials as lacking real authority, and the conviction among the revolutionary leaders that Chang has been attempting to build up his personal power by appointing to important posts officers loyal to him. [] stated that new appointees to the positions vacated by Chang would be selected within five days. The appointment of the new army chief of staff will reportedly be made after prior consultation with the UN commander, General Magruder.

25X1 Chang had been credited with exercising a moderating influence on the regime and was believed to favor a relatively early return to civilian government. The reduction of Chang's influence will enhance that of the young colonels surrounding Major General Pak Chong-hui. This group is strongly nationalistic and eager to undertake extensive reforms but lacks positive plans or the experience to administer the government. They are likely to push for increasingly repressive measures, particularly in the event the regime fails to win wide public support. []

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USSR: An authoritative Pravda article on 2 June reiterated current Soviet views on Berlin and emphasized that the attitude toward a German peace settlement is the "touchstone of sincerity and peacefulness for any politician, any state." This apparently was in response to the announcement that the President and General de Gaulle had agreed on action to maintain Western rights in Berlin. Pravda also warned that the Soviet Union has no intention of tolerating the existing situation or of being intimidated by press accounts of Western military plans for "saving" West Berlin. [A number of bloc officials have adopted the line [redacted] that Khrushchev will be seeking a definite commitment for new negotiations, and if this fails the USSR will be "obliged" to sign a separate peace treaty. East German party chief Ulbricht in a 1 June public interview claimed he could state "unambiguously" that a peace treaty would be concluded in the "foreseeable future." [redacted]

[redacted] while Khrushchev would not take the initiative he would agree to a foreign ministers' conference if the US proposed it. [redacted] Khrushchev was considering making a "very favorable" proposal to bring about agreement on a nuclear test ban? [redacted]

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East Germany - USSR: The unprecedented scope of the Soviet - East German economic protocol, signed on 30 May, is [redacted]

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probably at least partly intended to serve notice to the West that the USSR will fully support East Germany should the Western powers in the future apply economic sanctions against that country. In the past few months Khrushchev has told Western diplomats that he expects such economic retaliation in the event Moscow signs a separate peace treaty with East Germany. Under this protocol, which follow months of negotiations, the USSR has promised to deliver during the next four years essential raw materials and machinery over and above the amounts provided for under the five-year trade agreement between the two countries. According to the East German press, Moscow has also agreed to make available a long-term credit of "over two billion Deutsch marks," approximately \$500,000,000 at the official rate of exchange normally used for such transactions. At this rate, this would be the largest single economic development credit ever extended by the USSR to any country. Soviet deliveries of investment commodities may enable East Germany to raise its investment goals which had been cut back last year. The West, and particularly West Germany, however, will continue for some time to be an important source of modern highly specialized commodities not available within the bloc. [REDACTED]

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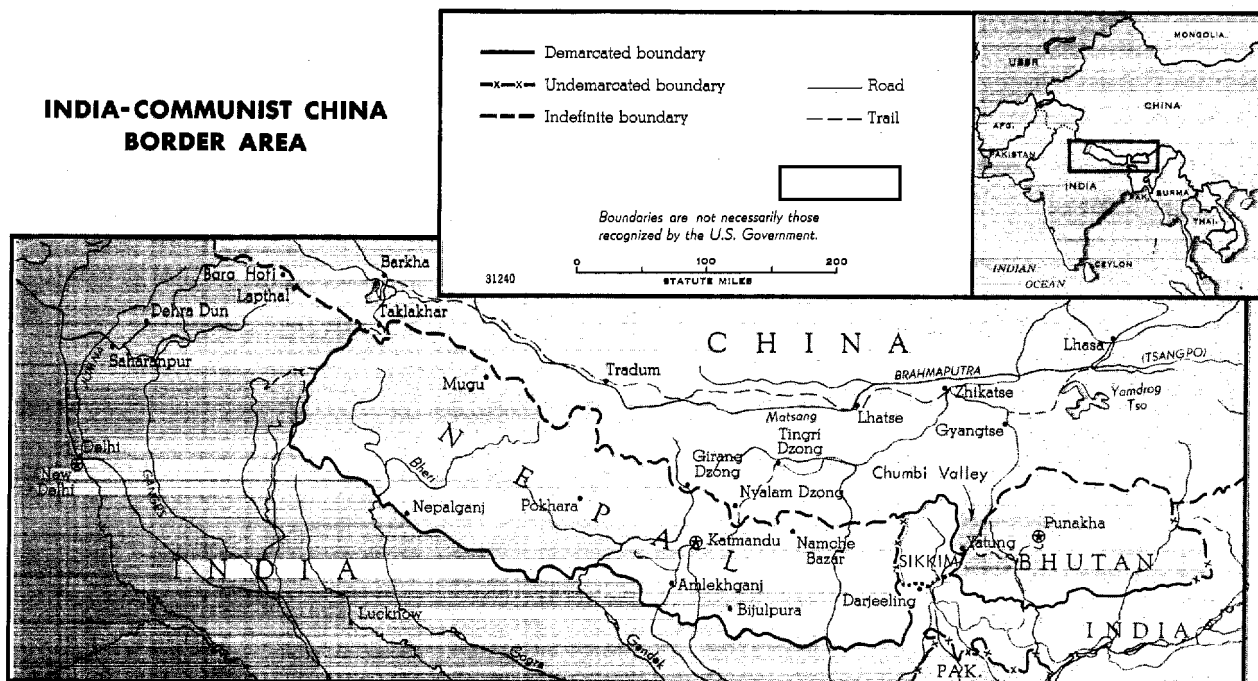
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INDIA-COMMUNIST CHINA BORDER AREA



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[Redacted]

India - Communist China: [General Thapar, the Indian Army's new chief of staff who recently inspected the northeast frontier area opposite Tibet, was reportedly disturbed by the inadequacies he found in India's defensive posture there. He has recommended to Nehru further strengthening of combat and support units, especially in Sikkim, a major effort to improve military communications, the construction of new air strips to facilitate aerial patrolling, and urgent measures to improve morale and combat subversion in the frontier areas. Thapar's report reflects the army's concern over its capability to secure eastern India against the substantial Chinese Communist forces in the border area opposite Sikkim.] [Redacted]

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[Redacted]

(Map)

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[Redacted]

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[Redacted]

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Dominican Republic

General "Ramfis" Trujillo's appointment to the highest armed forces post places him in a power position comparable to that of his late father. However, he does not have the respect of numerous older officers, who resent his youth, his rashness, and his reputation as a pampered playboy. Unconfirmed press reports say his appointment ran into some cabinet opposition on 2 June. In any event, "Ramfis" will be in a precarious position and will have to rely on continued force to maintain his position, relying on his clique of personal supporters who include the most radical and ruthless faction in the regime, who also share his hatred of the United States. "Ramfis" is reported to have personally sought to establish ties with the Soviet bloc late last year after advising his father that such action would be the most effective means of surviving the economic sanctions imposed by the OAS and supported by the US.

John Abbes, who was involved in the late dictator's subversive activities in Central America and Venezuela, is also believed to have been active in the attempt, apparently unsuccessful, to seek a rapprochement with the Soviet bloc. "Ramfis" supporters are also active in the management of Radio Caribe, which has been disseminating violently anti-US pro-Soviet and, pro-Castro propaganda over the past ten months.

The American consulate has received unconfirmed reports that military opposition to the regime has already broken out in the interior of the country, with General Estrella, commander of one of the country's six regional garrisons, in open revolt.

Cuban comment on Dominican developments continues to stress that the dictator's death will not alone change the Dominican political situation, "since this depends on action by the masses." There are still no indications of any imminent action by Cuba

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in the Dominican Republic. [President Betancourt told the American ambassador in Venezuela that he is now ready to "go to the limit to prevent any interference by Castro" in the Dominican Republic, even "if it involves fighting against Cuba."]

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[REDACTED]

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East Germany Receives Substantial Additional Aid From USSR

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The Soviet agreement to provide the estimated \$500,000,000 credit is a result of more than six months of effort by East Germany to obtain Soviet help in carrying out its long-term economic plan. Last September, East Germany asked for and was refused \$375,000,000 to cover prospective trade deficits in 1961. The resulting readjustment in trade plans was followed by a cutback in 1961 investments and was a factor in the lower rate of economic growth planned for this year. Since then East German State Planning Chief Bruno Leuschner has made four trips to Moscow to discuss economic matters; the first of these trips was in October, when he requested aid specifically to meet the anticipated effects of the West German threat to cancel the interzonal trade agreement on 31 December. [Throughout the negotiations the Soviets [] have been hard bargainers, and this may account for Leuschner's emphasis, in his remarks at the signing of the protocol, on East Germany's firm intention to fulfill its trade commitments to the USSR.]

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Since 1945 the USSR has provided, exclusive of this latest credit, economic development aid to East Germany amounting to some \$878,000,000, about \$665,000,000 of which has been for commodity deliveries and economic development and \$215,000,000 has been in the form of foreign exchange. Although the form of this new credit is not known the announcement implies that it is an additional credit to finance purchases of commodities. On the other hand, the new credit may be in the form of a deferment of repayments due on previous Soviet credits which, it is estimated, may be roughly of the same magnitude during the next five years. In either case, the credit constitutes substantial aid and should make it possible for East Germany to adhere more closely to its original goals for investments.

Increased Soviet deliveries will include complete installations for the metallurgical, power, and chemical industries; non-ferrous metals; rolling mill products; chemicals; and machine tools--many of which are of priority importance in East Germany's investment program. Although there is no evidence that the agreement includes specific provisions against the contingency of a Western trade embargo, it is a strong indication of Soviet readiness to support East Germany in the event of such an embargo and as such could make the threat of West German economic sanctions less effective in deterring East German harassment of West Berlin. []

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[redacted]

Indian Military Measures to Strengthen Sino-Indian Border

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[O]ther recent steps undertaken by the Defense Ministry have been to step up recruiting for and restrict discharges from the army, to purchase Soviet transport aircraft and British jet light bombers, and to present to Parliament its largest budget to date, more than \$661,000,000. Another aspect of Indian efforts has been the reported arrival in Bhutan of an Indian brigadier heading a four-man group of military advisers to that government. India's military leaders have long been concerned over their formal responsibility to defend a country to which traditionally they have not been admitted by the Maharaja. The arrival of military advisers lends support to earlier reports that Indian troops may in time be sent to Bhutan.]

[T]he preoccupation with the military aspects of the frontier dispute and the lack of any movement toward a negotiated solution heighten the possibility of isolated armed clashes and emphasize the low state of prospects for any early solution to the question. While neither side appears ready to resort to military operations along the Himalayan border, the Indians are extremely suspicious and are taking all measures to ensure their control of the territory they now hold.]

[P]eiping's actions with regard to the dispute suggest that it wishes to keep the issue quiet at present. Chinese troops who were nearby made no effort to prevent Indian soldiers from taking possession of an upland pasture in the disputed Bara Hoti area in the western segment of the frontier this spring. Moreover, Chinese propaganda has not touched on the border question recently and continues to take a relatively moderate tone toward the Nehru government, despite New Delhi's recent forcible deportations of several pro-Peiping Overseas Chinese who were living in eastern India.] [redacted]

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Commander in Chief, Pacific

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The Director for Intelligence, The Joint Staff

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The Director of Naval Intelligence, Department of Navy

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