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15 May 1961

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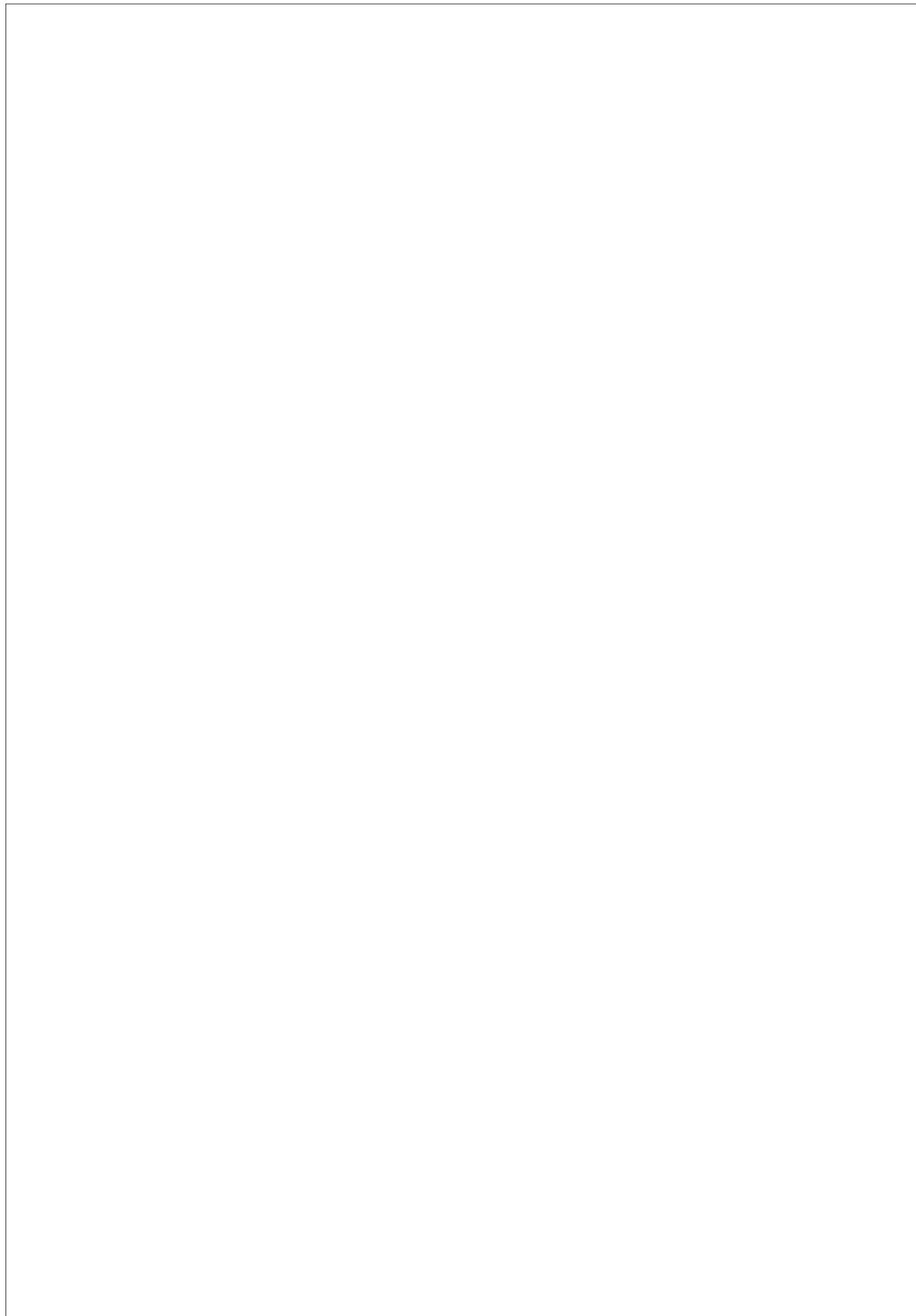
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# CENTRAL INTELLIGENCE BULLETIN



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15 May 1961

## CENTRAL INTELLIGENCE BULLETIN

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## CENTRAL INTELLIGENCE BULLETIN

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## DAILY BRIEF

*Siriah*

Laos: In the formal cease-fire document signed at the Ban Namone truce site in Laos on 13 May, representatives of General Phoumi, Souvanna Phouma, and the Pathet Lao acknowledged the existence of a cease-fire, but recognized some trouble spots and agreed to reissue cease-fire orders. The government representative signed the document, however, in a way equating the Boun Oum government with Souvanna's "legal government." Phoumi does not expect concrete results from the scheduled political talks at Namone but says it was necessary to start them to get a firm cease-fire.

No major military operations have occurred, but enemy probing attacks have continued against Meo guerrillas in the Pa Dong area. On 13 May enemy guerrillas were reported to have attacked and occupied government-held areas 13 miles southwest of Luang Prabang and 30 miles north of Vientiane. Government troops about 15 miles north of Vientiane were reportedly attacked by an enemy company on 14 May.

(Scheduled airlift activity for 14 May was at a low level. Only two LI-2 sorties were scheduled and no flights were scheduled into Laos. Airlift flights into Laos were scheduled for 15 May.)

(Backup, Page 1) (Map)

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~~TOP SECRET~~Israel-UAR-Jordan: [redacted]

[redacted] Israel believed the current UAR military exercise may be part of a plan by Nasir to undertake some action in Jordan, where opposition to King Husayn's recently reported wedding plans appears to be increasing. Ben-Gurion said that Israel would take a serious view of such a development, but added that Tel Aviv's response would be determined later.) [redacted] N O

No firm evidence of large-scale troop movements has yet been received in connection with the UAR exercise. [redacted]

that some company and battalion reinforcement units--as-  
sociated with the "supply of men during battle"--were to be  
formed before 19 May. [redacted] (Backup,  
Page 4)

Congo: Kasavubu's call for the reopening of the Congolese parliament poses a challenge to Gizenga, who has made this his main condition for a reconciliation with the Leopoldville regime. The parliament presumably would attempt to draft a new constitution, using as a basis the proposals now being discussed at Coquilhatville. These proposals, which envisage the creation of several tribally based states and the establishment of a strong central regime at Leopoldville, might be acceptable to Gizenga but probably would be rejected by the present separatist regime in Katanga. This regime, however, probably would be willing to continue negotiations. Failure of Elisabethville representatives to participate would further weaken the anti-Gizenga bloc, whose position has already been undermined by the Stanleyville leader's assiduous cultivation of uncommitted legislators. [redacted] (Backup, Page 5) (Map)

Iran: Former Prime Minister Eqbal has been sum-  
moned by a government investigator for questioning in con-  
nection with the rigging of last year's elections. Other [redacted] D K

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[developments appear to substantiate rumors which have been circulating in Tehran for several days that a number of high-ranking officers are to be arrested. A military police general sent to arrest General Kia, former chief of intelligence for the Joint Staff, at noon on 13 May delayed for four hours after Kia argued that noon was "not the proper time to arrest lieutenant generals." Kia attempted to get in touch with the Shah and the minister of the interior to have the arrest order rescinded. Subsequent press reports of his arrest suggest he was unsuccessful. The former ministers of interior and of finance as well as the former director of the fisheries administration were also reported arrested. The fisheries administration oversees the export of Iranian caviar and is, therefore, a lucrative source of graft. Those arrested have long been identified in the public mind with some of the more flagrant abuses of position, and the Shah probably estimated that the favorable public reaction would more than offset their influence in the army or political circles. The arrests also provide Prime Minister Amini with the first of the "spectacular" moves he hopes to make to impress the public with his determination to be effective.]

Africa: The conference in Monrovia of 20 moderate African states ended on 12 May after agreeing to reconvene in Lagos soon--possibly before the next UN General Assembly session, where they intend to present a united front. The meeting's final communiqué adopts the standard African nationalist lines on Angola and South Africa; however, since many of the participants are sympathetic toward France and Katanga, it takes a cautious line on the Congo and Algeria. The participating countries have agreed in principle that at the next meeting in Lagos they will set up an "African co-operation organization" which would include machinery for settling disputes among members. The conference also agreed to establish a body for economic and cultural cooperation. The refusal of the radical African states--Ghana, Guinea, Mali, Morocco, and the UAR--to attend has strengthened the trend on the continent toward division into moderate and radical blocs.

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Austria-USSR: The Austrian Government has been expanding its purchases from the Soviet bloc at the insistence of Austrian manufacturers who are eager to increase their sales to the bloc. Soviet propaganda does all it can to encourage and strengthen this pressure for more trade with the bloc. The main areas of discrimination against US imports appear to be in certain agricultural imports and coal products which are controlled by state trading companies or state monopolies. [redacted] (Backup, Page 7) OK

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~~TOP SECRET~~Situation in Laos

General Phoumi told Ambassador Brown in Vientiane on 14 May that he believes no internal political solution can be reached in Laos until the great powers have agreed on an international framework for Laos at Geneva. Phoumi said he had no early plans to attend the Geneva Conference and no indication that Souvanna Phouma did either.

~~Souvanna is to receive officials of the International Control Commission (ICC) in Xieng Khouang on 15 May.~~

In a joint declaration to ICC Chairman Sen, broadcast on 12 May, Souvanna and Pathet Lao leader Souphanouvong stated that "summit meetings" with Phoumi would be premature for the time being but that after prior military and political negotiations, such a meeting would be "fruitful." The statement declared that "it would be better to avoid meeting each other in a foreign country and to meet in Namone, where the ICC is also present." In the 13 May meeting at Namone, Souvanna's representative attempted to undercut Vientiane's position, in effect acting as the meeting's chairman and in the role of the "legal government" trying to harmonize recalcitrant factions.

Moscow quotes the Pathet Lao radio as broadcasting on 14 May a statement by Souvanna declaring that his troops and the Pathet Lao had liberated three-fifths of the country and outlining his program of action. This called for the early formation of a provisional coalition government, based on Souvanna's "government," together with representatives of the Neo Lao Hak Sat and other "patriotic forces" and "representatives of the Savannakhet group... if they approve the political program." A subsequent broadcast by Souphanouvong for the Neo Lao Hak Sat endorsed the statement.

~~it would not be useful to send commission teams to trouble spots at this time.~~

~~skirmishes were bound to occur until an agreement was reached defining the location of troops on each~~

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side and arrangements made for supplying forces inside one another's main lines.

[ ] a group of 50 Pathet Lao troops on 12 May about 20 miles north of Vientiane. The leader of the group reportedly refused to withdraw to the neutral zone south of Vang Vieng and stated that his orders were to "remain under any circumstances in the villages where we now are." [ ]

[ ] A former Buddhist monk who had joined Kong Le's forces is reported to have told leftist acquaintances in Vientiane that he had been sent for three months to study "political science" in Moscow. He is reported to have stressed the benefits that Laotians were receiving from Communist China, North Vietnam, and the Soviet Union, and predicted that fighting would eventually be resumed, with the Pathet Lao taking over the country in two weeks. He added that the Pathet Lao would probably move the capital of Laos to Xieng Khouang, which is on the supply line from Vinh in North Vietnam, whereas Vientiane is subject to blockade and other harassment by Thailand. [ ]

[ ] Of a total of 12 airlift sorties scheduled for 13 May, two Soviet LI-2s and one North Vietnamese AN-2 were reflected in flights to Laos. The Soviet AN-12 which arrived at Peiping from Irkutsk on 13 May has been delayed at Peiping because of adverse weather. It was scheduled to fly on to Hanoi via Canton on 14 May. [ ]

[ ] At least one of about 40 Chinese aircraft--probably IL-28s--which flew into the Changsha/Leiyang area between [ ]

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(22 April and 1 May, flew on 13 May to Suihsia in South China, where their effective range into Southeast Asia is extended. Whether this presages a movement of a larger number of these aircraft to the Suihsia area cannot yet be determined, but such a movement is a possibility.)

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~~TOP SECRET~~Ben-Gurion Warns of Danger in Jordan

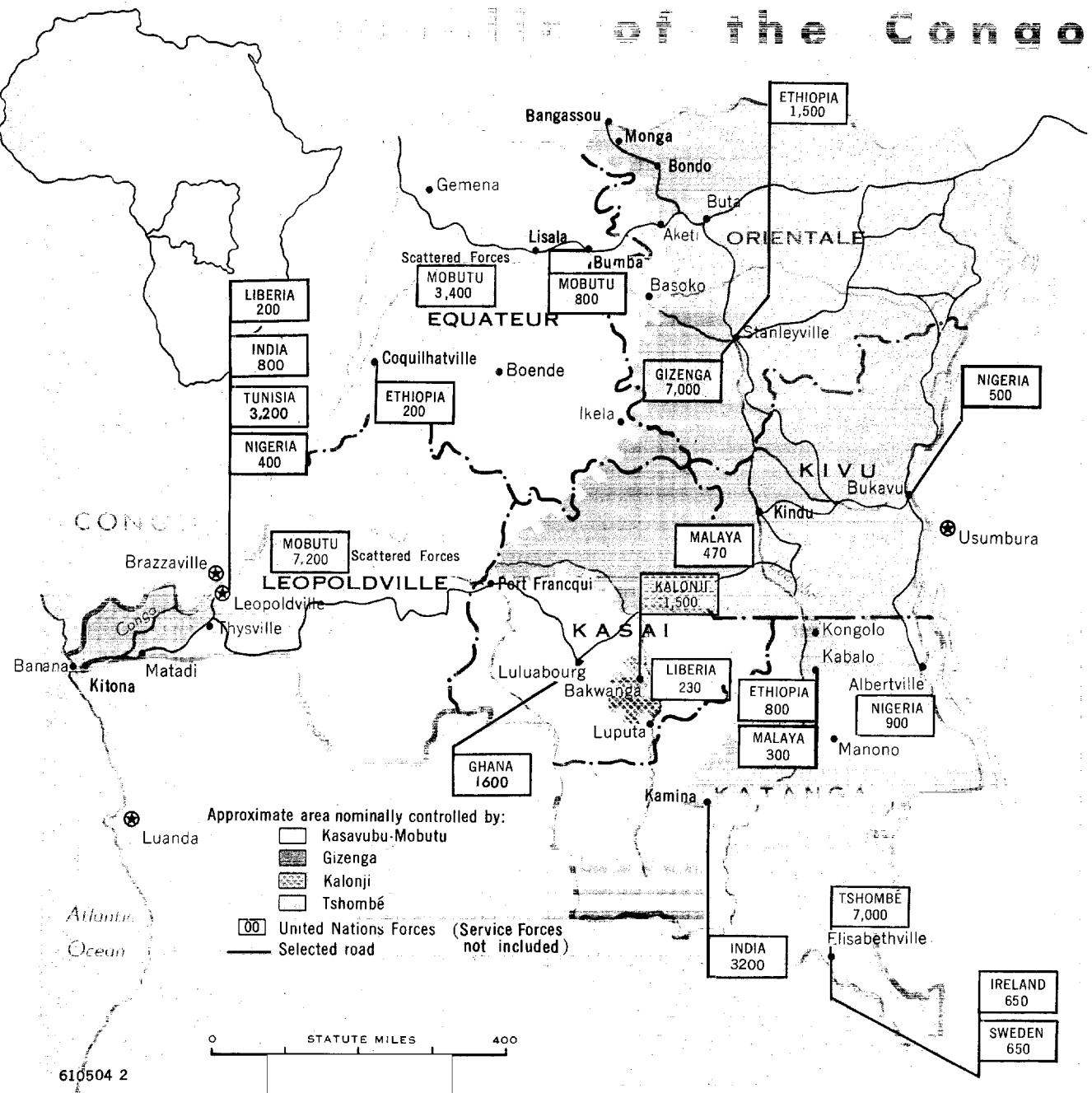
[Ben-Gurion said that the UAR's entire armed forces were being mobilized and that Israel is certain Syrian Army units were being told they may be readied for an invasion of Iraq, which Israel feels could be a cover for an operation in Jordan. Ben-Gurion's contentions are unconfirmed by any evidence now available.]

[The situation in Jordan, however, is ripe for exploitation by opponents of King Husayn's regime, including pro-Nasir elements. Some of Husayn's stanchest supporters reportedly have concluded--in view of the almost unanimous opposition to his engagement to an English woman--that the King must abdicate if both he as an individual and Jordan are to survive. These supporters envisage the establishment of a regency council with Husayn's youngest brother, Prince Hasan, as king.]

[At one stage, when the Jordanian cabinet threatened to resign as an expression of disapproval of the marital plans, Husayn said he would abdicate instead, according to one report. He apparently is in a disturbed state of mind and is said to be desirous of seeing only those who praise his act as bold and imaginative. He may be in growing danger of assassination as a result of increased subversive activity and the government's allegedly deteriorating capability to keep track of dissidents.]

Meanwhile, the UAR is accusing Israel of attempting to create a false atmosphere of tension in the area preceding Ben-Gurion's scheduled visit to Canada and the US later this month, which Cairo calls a "backdoor" meeting with President Kennedy. A Damascus newspaper on 13 May remarked that the visit coincides with an effort by the "trumpets of Israel" to raise a bogey of UAR strength and its threat to Israel. On the preceding day, Israel's chief of staff spoke in Tel Aviv, urging the mobilization of all Israel's potential and warning of the UAR's "hostile intentions." [redacted]

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~~TOP SECRET~~Situation in the Congo

Kasavubu plans to ask the UN to provide protection for the reconvened legislature and thus reduce the intimidation which characterized the last session. Nevertheless, most of the legislators remain motivated primarily by personal ambition and have little understanding of parliamentary procedure or constitutional theory. Their votes will be based on a mixture of bribery, tribal loyalties, and individual whim, with factional allegiance running a poor fourth. Gizenga has been more energetic than the Leopoldville regime in taking advantage of this situation. Although he lacks Lumumba's crowd appeal, he has inherited the relatively strong organization of the late premier's National Congolese Movement (MNC), which, together with Gizenga's own African Solidarity party, at least nominally controlled 48 seats in the 137-member Chamber of Deputies and 19 in the 84-seat Senate. [Death and defections cut the Gizenga bloc to about 25 in the Chamber and 16 in the Senate by early April; since then, however, Gizenga has attracted several wavering deputies to Stanleyville by placing them in lucrative positions, with the result that his strength in the lower house now may be about 40. If his fortunes should appear to be rising, this total would increase further.]

Relations between the UN and the Katanga regime continue to improve in Tshombé's absence. The ruling triumvirate in Elisabethville, headed by Interior Minister Munongo, apparently has agreed to allow the disbandment of the white mercenary units in the Katanga armed forces. Munongo may not only feel that he is removing a potential source of armed opposition to his regime, but may also want to maintain good relations with the UN at a time when pressure from Leopoldville for reintegration with the rest of the country is increasing.

Renewed tribal warfare in southern Kasai Province has forced the UN to evacuate much of that area. [Reports from Leopoldville indicate that the Ghanaian UN troops are to be]

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[concentrated along the rail line through the province.] Bakwanga, capital of Albert Kalonji's "south Kasai state," now is unguarded. A few UN civilians apparently remain in the area.

Kasavubu has asked the UN to request Stockholm to assign two Swedish generals to the Congolese Government. The two officers, both of whom served previously on a training mission in Ethiopia, apparently would be asked to try to re-organize the army. [The last attempt to train the Congolese forces, by a 130-man Moroccan mission, ended in failure last December.]

[Hammarskjold reportedly told a Western official recently that he intended to appoint Rajeshwar Dayal an under secretary general, in line with a recent recommendation that the number of such posts be increased. This appointment presumably would preclude Dayal's return to the Congo as Hammarskjold's representative.]

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### Austrian Trade Discrimination Favors Soviet Bloc

Because of the essentially barter nature of the trade with Eastern Europe, the volume of trade between Austria and the Soviet bloc is dependent ultimately on the volume of bloc sales in Austria. Austrian trade with the bloc has increased steadily over the last five years, but in 1960 seemed to level off at about 15 percent of total trade. Austrians have long hoped to expand this figure to 20 or 25 percent. Khrushchev raised Austrian hopes during his visit to Austria last year by stating that he was prepared to buy everything Austria produced providing Austria was willing to buy an equal amount from him.

Austria recently placed grain imports under a state trading system in the belief that grain is one of the few products it needs which the bloc can readily supply. In September 1960 a contract for 45,000 metric tons of corn was awarded by this semiofficial Grain Board, which, in contrast to previous practice, stipulated the Soviet Union as the sole source of supply. Subsequent contracts, with the same stipulation, were placed for 50,000 metric tons of corn and 30,000 metric tons of barley. At the same time, feed corn could have been bought from free world sources--including the United States--at prices 14 to 18 percent lower.

The US share of the Austrian tobacco market, a state monopoly, has been declining, while leaf tobacco imports from the bloc have increased from 6 percent of Austria's tobacco imports in 1958 to 14 percent in 1960. US coal imports have also been declining, while bloc exports have risen from 37 percent of Austria's bituminous coal imports in 1958 to 52 percent in 1960.

The embassy has reason to believe that the Austrian Government does request and exert pressure on private business organizations to purchase certain commodities from the bloc rather than from free world sources. This pressure on private firms, as distinguished from nationalized firms, is exercised through import licensing controls.

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