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13 June 1961

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CENTRAL INTELLIGENCE BULLETIN



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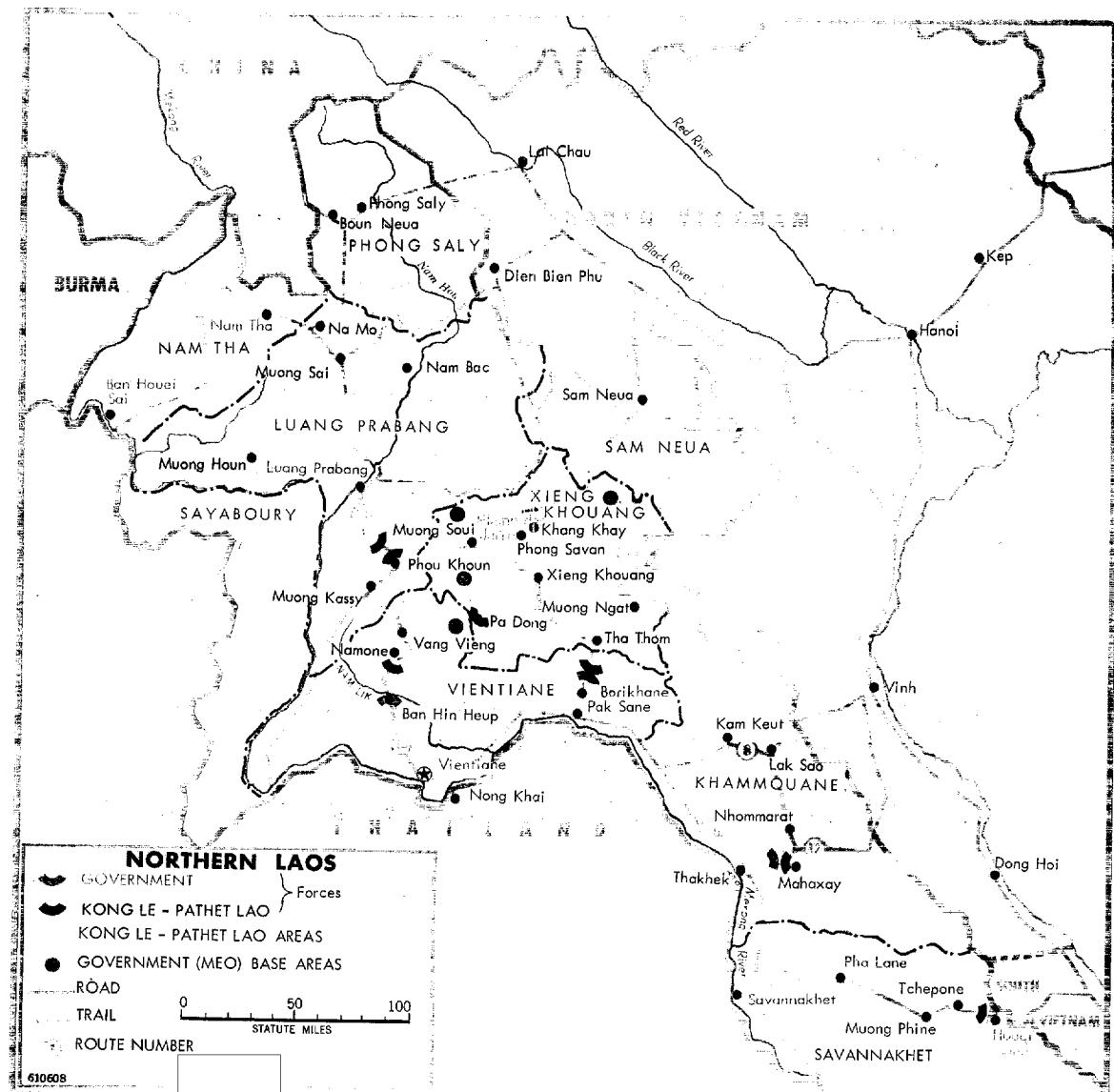
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DAILY BRIEF

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*Laos: Bad weather prevented the government delegation from attending the regularly scheduled 12 June session of the Namone conference. In Europe, the three princes have now scheduled their long-awaited talks to begin next Saturday in Zurich.

The situation in the Pa Dong area remains quiet, with the enemy apparently consolidating its forces and obtaining intelligence on the location of the Meo units withdrawing from the area. Enemy forces are reported to have subjected forward government elements to mortar harassment fire northeast of Pak Sane. Government forces northeast of Luang Prabang are continuing operations against enemy forces in the area.

Bloc airlift operations continue to be scheduled through 13 June. (Backup, Page 1) (Map)

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Dominican Republic: [The US consul in Ciudad Trujillo believes that General Ramfis Trujillo may be able to maintain control of the armed forces for some time, despite his great unpopularity with many senior officers during his father's lifetime. Ramfis is reported to be advancing air force officers with whom he had been associated in the past and to be relying on the air force intelligence unit for security services in place of the notorious Military Intelligence Service, which is being shunted into the background if not dismantled. While the regime apparently considers it advantageous at the moment to restrain its repressive apparatus, its power to exercise dictatorial control has probably not been seriously affected. Most politically aware Dominicans would consider it foolhardy to avail themselves of any political liberties unless concretely guaranteed against subsequent Trujillo-type reprisals.]

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DAILY BRIEF

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Portugal: Salazar told British Foreign Secretary Home in Lisbon in late May that it would not be "right" to proceed now with anything beyond minor reforms in Angola. Home reports that Foreign Minister Franco Nogueira was considering sweeping political and socio-economic changes there, but not until after order had been restored. NATO Secretary General Stikker, who talked with both Salazar and Nogueira about 8 June, also got the impression that Portugal plans no significant reforms in Africa at this time. No

France-Algeria: Foreign Minister Couve de Murville has told Ambassador Gavin that French and PAG negotiators at Evian have considered each of the major problems in an Algerian settlement, but that the talks were going "a little slowly." Representatives for both sides emphasize the need to continue the talks, but both now seem to be acting on the assumption that the current talks at Evian will recess on 20 June. Acts of violence continue in Algeria and France, and anti - De Gaulle Europeans in Algeria are reportedly plotting a "major stroke of violence" in the near future to provoke clashes between Europeans, Moslems, and the French Army. OK

(Backup, Page 3)

*South Vietnam: [Several recent reports suggest that American personnel will increasingly become targets of assassination and kidnaping by the Communist Viet Cong movement. Viet Cong terrorist activities in the vicinity of Saigon are growing, and there are indications that new actions are being planned for the capital itself.] OK (Backup, Page 5)

Ethiopia: The minor reforms so far introduced by the Emperor since the unsuccessful coup attempt against him last December have not satisfied the country's young, educated element, which has become completely open in its discontent. Conservative military and civilian leaders, in an effort to consolidate

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their present dominant position, may be formulating plans to forestall a possible move against the Emperor. [redacted]
 (Backup, Page 7)

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Bolivia: Extreme leftists are trying to force the government by strikes, which may be accompanied by violence, to release Communist leaders arrested under cover of the government-fabricated coup on 6 and 7 June. President Paz has stated that those arrested will not be released before the end of the 90-day state of siege, which began on 7 June. The American chargé in La Paz believes that the next few days will be critical. He believes that the government can probably survive if it is willing to use its armed forces, but that the immediate danger is that the government's nerve will fail and it may not follow through on its anti-Communist program. [redacted]

(Backup, Page 8)

No

Argentina - Cuba: [In discussing with Ambassador Stevenson inter-American policy regarding the Cuban problem, President Frondizi again urged a meeting of the Presidents of the United States, Mexico, Brazil, Argentina, and possibly Chile to seek agreement on strategy prior to the mid-July meeting of the Inter-American Economic and Social Council in Montevideo. Frondizi believes that a common policy must be devised first on economic, social, and political problems before tackling the Communist and Cuban problems. As an alternative to this proposal, Frondizi is prepared to travel through Latin America and undertake leadership of an anti-Communist campaign, provided what he terms the political risk to himself of such action were reduced by US aid in promoting Argentina's economic development. He has little confidence in the present ability of the Organization of American States to resolve the Cuban problem.

Frondizi and Brazil's President Quadros have agreed that they should pool their efforts to help Paraguay and Bolivia, where present conditions are favorable to Castroism. Quadros, however, is reported to oppose Frondizi's summit proposals and bid for a leadership role.] [redacted]

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DAILY BRIEF

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~~SECRET~~Situation in Laos

Airlift operations on 9 June involved a total of three sorties, with one into Laos. On 10 June there was a total of 13 sorties, ten of which were into Laos, and on 11 June there were five sorties, with two into Laos. The daily sortie-ton average for the week 5 through 11 June was 6.7 sorties for about 12.5 tons per day. This is about one third of the previous norm. It is estimated that through 11 June, Soviet transports have flown a total of 2,586 sorties with 4,971 tons. In addition, North Vietnamese transports are estimated to have flown 359 sorties with 524 tons.

This development, together with the departure of over 100 personnel from North Vietnam aboard Soviet transports since the end of May and other indications that some Soviet transports have turned over to the North Vietnamese, suggests that the future role of the Soviets in airlift operations may diminish, with the North Vietnamese assuming more of the responsibility for operating the airlift. It is possible that the North Vietnamese will assume the exclusive control of airlift operations.

Communist China's Foreign Minister Chen Yi, speaking at a 12 June banquet he gave for Souvanna Phouma and Souphanouvong, rejected any form of Laotian neutrality that was "under international control." Souvanna, in his reply, agreed with Chen Yi's views, stating that "we cannot relinquish the independence and sovereignty of our country for the sake of attaining neutrality."

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~~SECRET~~French-Algerian Talks at Evian

The French foreign minister, in talking with Gavin, characterized the Evian discussions as "rather limited and academic."

[Similar pessimism is evident]

[the present plan is to recess the Evian talks on 20 June and then engage in "secret talks"--presumably elsewhere and possibly at a different level--to discover whether there is a basis for successful negotiations] The US Embassy in Paris points out that while a break-off at Evian cannot be excluded, spokesmen on both sides have emphasized the need to continue.

The first three weeks of talks have been devoted to an exposition of respective positions. The PAG has offered Europeans in Algeria a choice of Algerian or French citizenship with guarantees as individuals, but the French are seeking built-in institutional guarantees between the Moslem and non-Moslem communities. The French continue their unilateral cease-fire reluctantly in the face of rising FLN terrorism. The PAG refuses to agree to a cease-fire prior to a political settlement, fearing both that a cease-fire order might not be honored by all its own forces, and that it might be interpreted as "weakness." The French maintain that the disposition of the Sahara is a separate and distinct question from an Algerian settlement, while the PAG holds that the Sahara is an integral part of Algeria. France is pushing for a French-Algerian association with cultural, economic, and defense ties, but the PAG insists that settlement of the nature and extent of Algerian ties with France must follow the determination of Algeria's status.

The lack of progress at Evian has probably reduced the threat of anti - De Gaulle action by European settlers and military extremists in Algeria. Nevertheless,

[widespread desperation] among European settlers and plotting by the secret army organization, led by fugitive insurgent Generals Salan and Jouhoud. Disturbances,

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[scheduled for mid-June, are reportedly to be coordinated with similar rightist action in France. While another coup attempt seems unlikely at present, major acts of violence aimed at increasing the antagonism of the two parties are likely.]

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Military and Political Developments in South Vietnam

[The American army attaché in Saigon reports that a French citizen vacationing at the seashore southeast of Saigon was detained on 20 May by Viet Cong troops of the "Liberation Front" and told by a courteous, uniformed officer that they were looking for Americans. After his money and other valuables were taken, he was told that an American would have been held as a hostage. A second Frenchman boating on the Saigon River the same week end was similarly detained until he identified himself as French. According to a third French source, the Chinese overseer of a French-owned plantation, raided for "tribute" on 18 May, was told by the Viet Cong that American installations, homes, and personnel were their chief targets; that these homes and installations were infiltrated by Viet Cong domestics; and that they would kidnap and attempt to poison American children. The overseer was also told that the Viet Cong would soon launch grenade attacks in Saigon on the level of 1951-1954.]

[President Diem remains convinced of the need to give priority to military measures to combat the Communist guerrilla and subversive threat and normally commits 75 to 85 of the army's 124 battalions to internal security operations or training. As a first step toward adding a contemplated 20,000 men to his 150,000-man force, he has called up 6,000 reservists, and recently the army has been increasingly aggressive and has reportedly inflicted heavy casualties among the Communist guerrillas. Nevertheless, the estimated strength of the Communist guerrillas continues to increase and their operations have encompassed a growing area.]

[Many Vietnamese observers remain concerned that Diem's reluctance to give comparable weight to internal reforms will eventually undermine the efforts to shore up the South Vietnamese Government. Although the long-postponed government reorganization announced in May gives promise of technical improvement, a well-regarded Vietnamese foreign service officer told the American Embassy recently that it offers no change from Diem's present authoritarian methods of rule and had convinced]

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[him and several colleagues to resign. Diem is purging some locally disliked rural officials and is permitting some controlled opposition political activity, but he maintains that no real liberalization is possible under present circumstances. However, unless tangible improvement is demonstrated, the prospect of prolonged insecurity and continued harsh controls may encourage new plotting against Diem or his government and the growth of sentiment for political accommodation with the Communists.]

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~~SECRET~~Disaffection and Plotting in Ethiopia

Since last December's coup attempt, Emperor Haile Selassie has relied chiefly on conservative officials of proven loyalty and has made few changes to mollify the discontent which led to the uprising. The only major reform to date has been the appointment on 14 April of a prime minister; the Emperor had previously held this office himself. The Emperor also exhorted government officials not to refer all important matters to the palace. This change has not significantly affected the government's lethargy and inefficiency; moreover, civilian morale has deteriorated as a result of a salary cut which the regime decreed in early May to provide funds for a military pay increase.

[redacted] a conservative group including Defense Minister Merid, Interior Minister Abye, and Senate President Asrate Kassa is planning some sort of political-military action. Merid and Abye were instrumental in the suppression of the December revolt; however, they have little popularity either among the troops or with the populace. The plotters apparently hope to gain control over the Emperor's successor. [redacted] has them working with Crown Prince Asfa Wossen to depose the Emperor. [redacted] their aim is to install the Duke of Harar, now in his early teens, as crown prince in place of the notoriously weak Asfa Wossen.]

[redacted] Haile Selassie, who has never liked the present crown prince, may be permitting the plotters to continue their activity in order to make certain of Asfa Wossen's involvement.] [redacted]

[redacted]

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~~CONFIDENTIAL~~The Bolivian Strikes

Twelve thousand workers are reported on strike in La Paz and miners are out in three major areas. The strikers are demanding that the President release at least the leaders among those arrested since 7 June under cover of the government-fabricated "Communist coup." Of those under arrest, the two key figures are probably Irineo Pimentel and Federico Escobar, who have for some years been in the forefront of labor agitation, strikes, slowdowns, and featherbedding at the Twentieth Century mine, Bolivia's largest tin producer.

Vice President Lechin, who was recently re-elected chief of the Miners' Federation, is visiting in Venezuela and has been asked by President Paz to return to Bolivia. Paz on 11 June met with members of the Miners' Federation including Lechin's deputy, Mario Torres, and apparently discussed the possible release of the labor leaders. Torres told newsmen that President Paz had flatly refused "to give in one millimeter!"

In his move against the Communists, President Paz may have been influenced in part by the ambition he has apparently had since his inauguration in August 1960 to crack down on all opposition forces and to re-establish the personal dominance of Bolivian politics which he exerted during his first term of office in 1952-56. A recent Argentine offer of more than \$1,000,000 in food in return for anti-Communist action was probably also influential.

The US chargé comments that Paz may also have hoped to neutralize key Communists in order to decrease the political risks of raising the price of gasoline. The International Monetary Fund has for some time sought a 50-percent increase in the current domestic price of 13 cents per gallon on the widely used 68-octane grade of gasoline. Alternatively, Paz may have thought that action against the Communists would lessen international pressure on the issue of gasoline prices.

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