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26 June 1961

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

Laos: Souvanna and Souphanouvong, in Geneva for Monday's conference session, have stated that further talks on forming a coalition government will be resumed in Laos within 15 days. [General Phoumi plans to leave Geneva for Laos on 27 or 28 June, and apparently intends to consult with King Savang before the talks are resumed.]

[redacted], the King has recently repeated to French Ambassador Falaize that he would not consider heading a government himself, but would be willing to designate Souvanna prime minister.

[redacted] two government camps were taken on 24 June and that a third was to be attacked that evening. No major military actions have been reported. Bloc airlift operations continue to be scheduled through 26 June.

[redacted]) (Backup, Page 1)

Thailand: [Thai Foreign Minister Thanat Khoman told Ambassador Young on 22 June that he is considering the possibility that a neutral belt might be established in Southeast Asia to supersede the security arrangements of SEATO, in which Thailand sees little remaining value. Thanat apparently believes the concept originally proposed by Prince Sihanouk to include Laos, Cambodia, and possibly Burma might be expanded to cover Thailand, South Vietnam, Malaya, and even East Pakistan, provided agreement could be obtained from Communist China, the USSR, and the US to guarantee the independence and integrity of the grouping.]

[redacted] (Backup, Page 2)

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USSR-UN: A member of the Soviet UN delegation is reported to have briefed the European satellite delegations on 21 June on the tactics to be employed during the 16th General Assembly session beginning next September. He gave the general impression that the USSR was not inclined to undertake "disruptive and aggressive" tactics at the session. On the "troika" plan for revising the UN secretary general's office, the Soviet delegate said that the USSR would not press for a decision because the timing was not right and there was no hope of gaining a majority in support of the plan. This line suggests that Moscow may plan to take a more conciliatory stand at the UN in order to offset anticipated tensions over Berlin and a possible breakup of the nuclear test negotiations by the time the General Assembly convenes.

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Turkey: [The military group identified as the Forces of Solidarity (FS) which emerged from the recent power struggle has reportedly gained the support of practically all top military leaders. General Gursel and the other two generals on the Committee of National Union (CNU) are also believed to have joined the new group; they may be trying to exert a moderating influence on the more radical young officers in the FS. The group now includes officers from most, if not all, of the military units in the Ankara area, which are the key to the military control of Turkey.]

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The referendum on the new constitution will be held on 9 July.

[all provincial governors, members of the CNU and the Constituent Assembly will tour the country to propagandize the new constitution before the referendum.] The CNU press bureau has announced that the date of national elections will be decided by the Constituent Assembly within one week after the results of the referendum are known and that they will "definitely" be held before 29 October. [This schedule may]

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[be altered, however, if popular disturbances result from the political trials now in their final stages. The CNU is also allegedly considering permitting the return of 12 of the 14 former CNU members who were removed last November and "exiled" abroad. Col. Turkes and Col. Erkanli, who were suspected of plotting to lead a revolt within the CNU, apparently will not be allowed to return at this time.]

East Germany: The "soft" tactics adopted by the Ulbricht regime last fall in an effort to reduce popular discontent and stem the flow of refugees are not succeeding; the East Germans, including industrial workers in several large enterprises, are openly critical of the regime's failure to improve the food supply and are complaining about the sudden and drastic changes in economic organization. [Ulbricht is personally concerned about the situation and recently made a trip to Halle to discuss the "mood" of industrial workers with local officials there.] (Backup, Page 3)

USSR-Japan: Moscow plans to send a high-level delegation headed by presidium member N. A. Mukhittdinov to the Japanese Communist party (JCP) congress beginning 25 July. The decision to send Mukhittdinov indicates the USSR's determination to retain its influence in the Japanese party. Peiping has been increasing its efforts to impress its militant views on the leadership of the JCP. A high-level Japanese party delegation was accorded lavish attention by the Chinese Communist leaders and press during a recent visit to Peiping.

The JCP leadership will probably welcome strong Soviet representation as offering support for its policy of gradual revolution in Japan. In 1958 at the last party congress, a sizable dissident faction favoring a more militant attack on the conservative government blocked adoption of a platform incorporating this policy. However, last November party leaders won recognition of their position in the declaration of the Moscow conference of Communist parties.

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North Korea - USSR: Pyongyang has announced that Kim Il-sung will lead a party and government delegation to Moscow toward the end of June. One purpose of Kim's visit may be to conclude an economic agreement. Soviet First Deputy Premier Kosygin was accompanied on his visit to Pyongyang earlier this month by top economic negotiators but no announcement of further Soviet assistance was made at that time. North Vietnam's Premier Pham Van Dong, now on a bloc tour, is scheduled to be in Moscow from 26 June to 5 July. The presence of both Asian leaders would afford an opportunity for discussion of Communist reunification tactics in divided countries.

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[Argentina: President Frondizi reportedly has renewed negotiations with ex-President Juan Peron in Madrid for Peronista electoral support in the March 1962 congressional elections.]

[these negotiations are known to a group of high-ranking officers which has been planning a coup before mid-July. While retired officers have continued to plot against Frondizi, the majority of the armed forces support constitutional government. All of the military, however, oppose any resurgence of Peronista political power.]

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The bloc's attempt to develop the theme of foreign involvement in Laos is reflected in an article in Peiping's People's Daily of 25 June. Charging that the US is "stepping up" military deployment so as to launch "new military ventures," the People's Daily Observer alleges that South Vietnamese, Thai, and Philippine troops are active in Laos. The article characterizes the Zurich talks as an "initial success" on the "internal aspect" of a Laotian settlement and expresses the hope that the princes' negotiations will have a beneficial effect on the outcome of the Geneva conference.

[Moscow, Peiping, and Hanoi have all charged that, twice during the past week, South Vietnamese artillery fired across the border into Laos in the vicinity of Route 9 in support of air-landing operations. Some South Vietnamese artillery firing supported actions on 17 June, when a small South Vietnamese force clashed with an enemy patrol inside Laos. President Diem, who is concerned over the ineffectiveness of the Laotian troops as well as over reports of southward movements by enemy forces, recently commented that it might prove necessary for South Vietnamese troops to move into Laos and protect certain key positions.]

A Soviet AN-10 arrived at Canton on 24 June and, after five and a half hours, returned to Peiping. It apparently carried no passengers to Canton, but [] 50 passengers were aboard on the return trip--an additional indication that Soviet aircrews are probably being withdrawn from North Vietnam. Only three of the six Soviet IL-14s which were to fly to Canton from Hanoi in conjunction with the arrival of the AN-10 actually made the trip. They remained at Canton for a little over three hours before returning to Hanoi.
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Growing Thai Interest in Neutralism

[Foreign Minister Thanat's remarks are all indicative of the trend toward neutralism in Thailand during the past year. Although Thanat's views as expressed may not have been cleared with Prime Minister Sarit,]

[Sarit is strongly attracted to the idea of neutrality and that the prospect of increased American military and economic aid has not increased his enthusiasm for present commitments to the West.]

[Deterioration of the situation in Laos and the inability of SEATO to influence events there have given considerable impetus to Thailand's concern over its Western alignment. The Thais believe a neutralist government in Laos would be a mere facade and that Communist control would be extended to Thailand's own borders. Several officials are said to reason that, regardless of the extent of US aid, Thailand in two or three years will be unable to defend itself against growing Communist strength in the area. They believe withdrawal from SEATO and adoption of a neutral policy would at least put an end to bloc propaganda attacks and enable the country to receive aid from both the West and the bloc.]

[Public expression of dissatisfaction with Thailand's Western ties has increased during the past year, with complaints that Thailand's support was taken for granted by the West and the country's needs were ignored while neutral nations were granted greater assistance. In recent months the Thais have endeavored to improve relations with the Soviet Union.]

[Thanat's thinking on a neutral belt appears to be in the preliminary stage, with no certain idea of the machinery for international guarantees. There has been no suggestion that the Thais intend to relax their internal anti-Communist stance.]

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East German Regime Concerned Over Popular Disaffection

In recent months, Ulbricht--probably at Soviet behest--has granted minor political concessions, promised more food and consumer goods, and a slowdown in economic development. He also has encouraged grievance petitions to the Council of State, which he heads, and has removed locally unpopular administrators as "sectarians" and "dogmatists." These measures have led to some relaxation of tension, but they have been undercut by recent bloc pressures against Berlin.

The regime is greatly concerned over the publication by a private West German intelligence service on 20 June of a petition signed by 56 workers at the important Hennigsdorf works north of Berlin, demanding an end to butter rationing, adequate food supplies, and the firing of incompetent state officials. [redacted] central committee functionaries believed the petition originated in "exactly the same department which started the trouble on 17 June 1953"--the East German uprising. Politburo member and agitprop chief Albert Norden was to go to Hennigsdorf in an attempt to placate the workers.

[redacted] Ulbricht [redacted]

[redacted] would make a secret trip to the district on 23 June to discuss with party functionaries the workers' concern over the Soviet peace treaty and Berlin proposals, production plans, and shortages of food and consumer goods. Apparently changing his plans to keep his presence secret, Ulbricht delivered a major speech in Halle the following day reiterating his demand for a separate treaty.

Neubrandenburg party headquarters reported on 20 June that construction workers in its district, long a center of unrest, were holding "negative discussions." Some were saying, apropos of butter rationing, "When there is no butter, then we must strike for a day." Others, while voicing "complete support" for a

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separate peace treaty, asserted that food shortages would become even worse once a treaty is concluded and Berlin is a "free city." [redacted]

[redacted] a near riot in Potsdam over inadequate pay and shortages of meat and butter. Others report increasing discontent, but none believes anti-regime demonstrations imminent.

Acting Premier Willi Stoph admitted in Neues Deutschland on 14 June that "some difficulties exist in the supply of meat, milk, and butter" and disclosed that the newly collectivized farms have suffered heavy livestock losses. Losses have been aggravated by bad weather. Concurrently, a delegation of agricultural experts, headed by the party central committee secretary for agriculture and the minister of agriculture, left on 12 June to study Soviet agricultural techniques. [redacted]

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Argentine Negotiations With Peron for Electoral Support

[redacted] the negotiations involve a proposal that Peron publicly renounce leadership of his party and appoint a figurehead acceptable to both Peron and Frondizi. The Peronistas would then support Frondizi's party in the next national elections, in which half of the seats in the Chamber of Deputies will be filled.

In return for this support, Frondizi reportedly has offered Peron \$500,000, but Peron is holding out for \$1,000,000 cash. The same agents who reportedly are now negotiating with Peron allegedly paid him \$500,000 before the 1958 elections, in which the Peronistas supported Frondizi in his landslide victory. [redacted] Peron receives "an allowance of only \$10,000 a month from Jorge Antonio," who was Peron's financial adviser prior to the 1955 revolution and has since apparently controlled the bulk of his funds.

Peronista ranks have been badly divided since the party was outlawed in November 1955, and not all of Peron's instructions have been obeyed. The Justicialista party, the official successor of the Peronista party, suffered from lack of leadership and was outlawed after the abortive Peronista attacks in several provinces on 30 November 1960. A number of neo-Peronista parties are legal, however.

A leading neo-Peronista, Juan Bramuglia, departed for Spain in May to brief Peron on political realities in Argentina and to seek support for "outstanding candidates." [redacted]

before departing, Bramuglia had separate interviews with former Provisional President Aramburu, Cardinal Caggiano, and the papal nuncio to explain his plans. [redacted]

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