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10 May 1961

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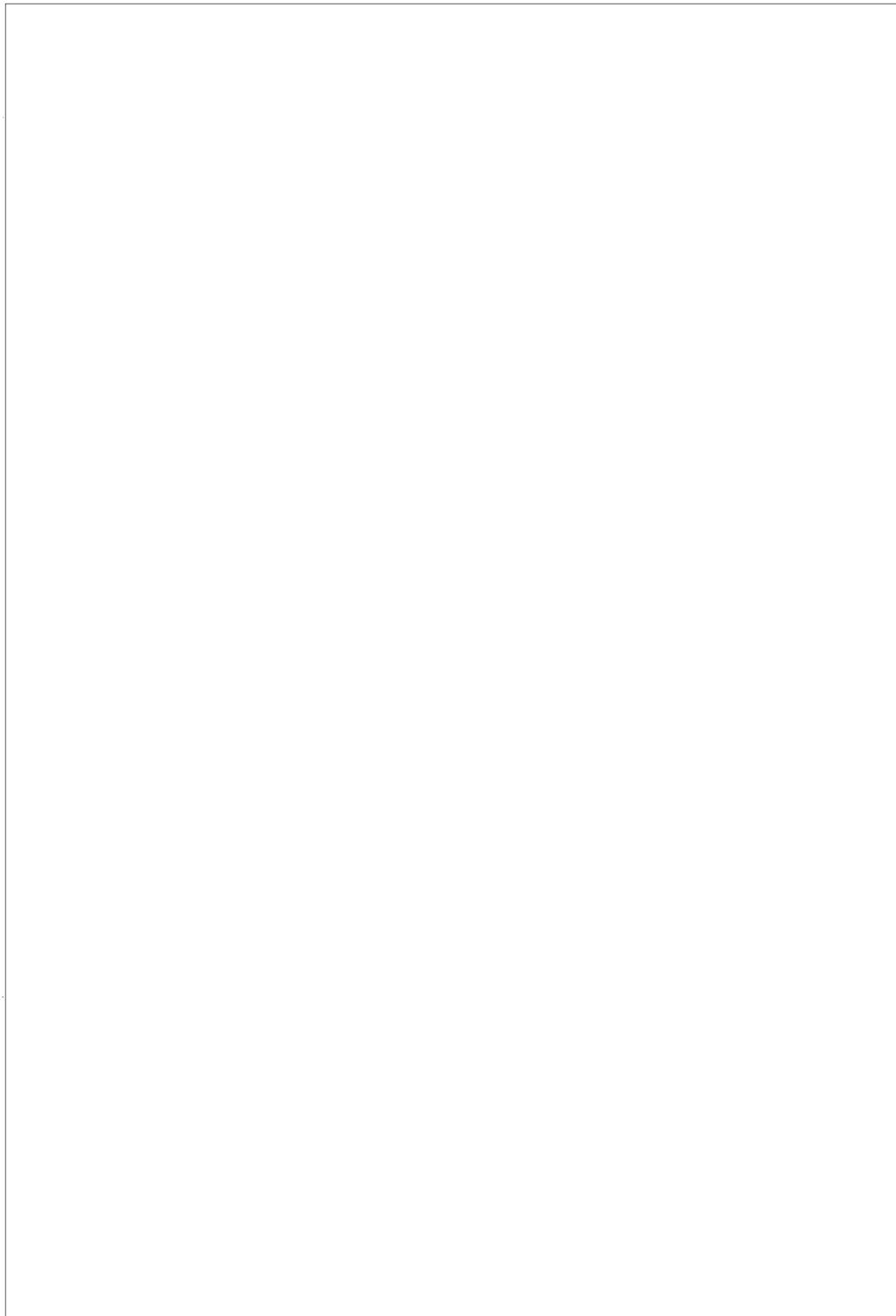
INTELLIGENCE

BULLETIN



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10 May 1961

CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

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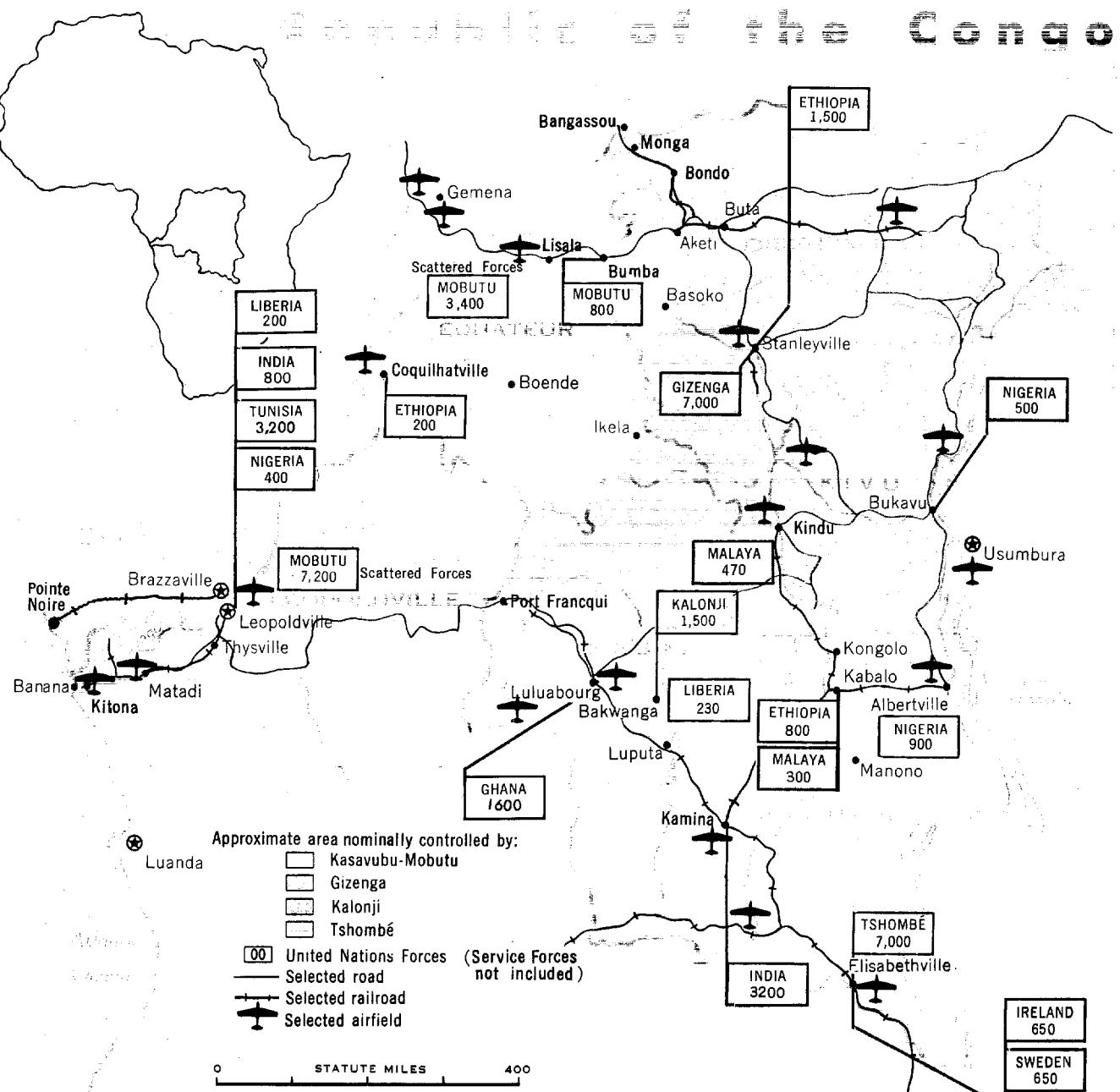
Laos: Pathet Lao statements continue to stress that the ICC can fulfill its function only after the three Laotian parties have agreed on all questions concerning a cease-fire. On 9 May, ICC officials accompanying the government delegation to another unproductive meeting at the Nam Lik site were snubbed by the enemy delegation, which said it had no instructions to deal with the ICC. Meanwhile, delegations representing the Souvanna Phouma "government" and the Pathet Lao arrived in Moscow on 9 May en route to the Geneva Conference in company with the Chinese Communist and North Vietnamese delegations. The Boun Oum government delegation is expected to leave Vientiane on 10 or 11 May. [In the military situation, the pattern of scattered skirmishing continues, and Meo guerrilla positions south of the Plaine des Jarres are still under enemy attack.]

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Airlift operations were scheduled through 10 May.
(Backup, Page 1) (Map)

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10 May 61 CENTRAL INTELLIGENCE BULLETIN Map Page

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Iran: The nine new members of Prime Minister Ali Amini's cabinet appear generally less experienced and capable than their immediate predecessors. All have had some government experience, mostly at a rather low level. Two of them have past histories of association with the Communists, although not in recent years. [Four ministers were held over from the previous cabinet, two of them, the ministers of war and interior, at the insistence of the Shah. Two posts remain unfilled.] The new appointees, however, probably owe their primary allegiance to the prime minister rather than to the Shah.

(n/k)

*On 9 May the Shah dissolved both houses of parliament and called for new elections under revised electoral laws.

(Backup, Page 3)

***Congo:** The 9 May announcement by the Leopoldville government that Tshombé will be detained without trial for an indefinite period probably stemmed from misgivings regarding anticipated international reactions to any trial of the Katanga leader. The Leopoldville government may also have feared that appeals on Tshombé's behalf by the former French Congo and others might force UN intervention to protect Tshombé.

At the NATO ministerial meeting in Oslo, Belgian Foreign Minister Spaak indicated concern over the possibility of action by the UN and Kasavubu's forces against Katanga and the chaos which might result. Spaak said these questions should be discussed in NATO, and that such consultation should not be confined to fact-finding. Spaak warned that Belgium, which could not solve these problems alone, would otherwise have to seek a firmer basis of consultation in some other international organization, presumably a reference to the possibility of political consultation on this issue among the six Common Market countries.

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Jordan: A leader of the Baath (socialist) party of Jordan has said he plans to begin at once to organize a coup d'etat in Jordan, which might involve the assassination of King Husayn. Dr. Munif Razzaz, [redacted] believes that the virtually unanimous disapproval in Jordan of Husayn's engagement to an English girl has made this a propitious time for the Baath, in cooperation with certain other proscribed political parties, to attempt some action. While Razzaz' thoughts are still preliminary, his ultimate objective is to integrate Jordan with the UAR, whose support he intends to seek. Razzaz professes to be unconcerned about the possibility that Israel might move into Palestinian West Jordan in reaction to a pro-UAR coup, because he feels that if the West would not deter the Israelis, the USSR would.) [redacted]

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(Backup, Page 5)

UAR: The UAR's previously reported mobilization exercise involving both the Syrian and Egyptian armies is scheduled to begin today, [redacted]

No

[redacted] Orders from Cairo to various military units--including supply and transportation groups--on 6 May suggest some troop movements will occur. If large-scale troop movements take place, Israel may take similar measures, which would increase tension. [redacted]

Morocco: Moroccan workers at the American air bases, who have struck three times within a month for higher wages and other benefits, are reported to be considering new pressures to gain their objectives. The base union, which is subordinate to the leftist Moroccan Labor Union, is considering "embargoing"--through strikes of transportation workers --the passage of US military materiel through Casablanca port and harassing US military personnel and dependents. Such action on the part of the workers would provide the press and all Moroccan political parties with new opportunities to

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reiterate their demands for an accelerated withdrawal of American forces in Morocco, now scheduled for completion by the end of 1963. [redacted] (Backup, Page 7)

Soviet Bloc - Brazil: The Rumanian-Brazilian economic agreement signed in Bucharest on 5 May marks the beginning of a significant expansion in bloc economic relations with Brazil. The five-year trade pact calls for total trade of at least \$64,000,000 annually--an amount exceeding Brazil's current trade with any bloc country. In addition, under the agreement Rumanian trade agencies may grant credits up to a total of \$50,000,000 to finance deliveries of oil and chemical industry equipment. The Brazilian mission which negotiated this agreement has also concluded trade pacts with Albania and Bulgaria and is scheduled to conduct economic talks with the rest of the East European satellites. Separate Soviet-Brazilian trade talks are under way in Moscow, and the Chinese Communist trade delegation has arrived in Brazil. [redacted]

(Backup, Page 8)

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Ecuador: [Foreign Minister Chiriboga advised the US ambassador on 6 May that he plans to resign--probably on 10 May--in consequence of his failure to convince President Velasco to alter his pro-Cuban policy. Chiriboga stated that his replacement would be Ecuadorean Ambassador to Chile Wilson Vela, whom he described as antagonistic toward the US and US policy on Cuba. Velasco, who has long harbored resentment toward the US and is a close friend of Ecuador's principal pro-Castro leader, made a number of pro-Castro statements both before and after the 17-19 April insurgent landings in Cuba. Cuba, which has been the only Latin American country to support Ecuador publicly in its boundary dispute with Peru, has recognized the value of Velasco's position by frequently publicizing his statements on the Castro regime and lauding his policies.] [redacted]

N O

[redacted]
 "Ecuador will never lend itself to punitive action" in the event the OAS Council or the American [redacted]

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[] Foreign ministers convene to consider the Cuban issue. []

USSR-Berlin: Major General Zakharov's replacement by Colonel Solovyev as the USSR's Berlin commandant will--unless Solovyev is promoted--reduce the Berlin command to the level of other Soviet city garrisons in East Germany, which are customarily headed by colonels. Solovyev's rank and the circumstances surrounding this shift suggest the USSR is continuing to dissociate itself from the four-power control mechanism in Berlin and may have decided to strip its Berlin Kommandatura of its special quadripartite functions and responsibilities deriving from the occupation status of the city.

(Backup, Page 10)

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CONCLUSIONS OF SPECIAL USIB SUBCOMMITTEE ON BERLIN SITUATION

The USIB has approved the following conclusions reached by its Special Berlin Subcommittee which reviewed the situation for the period 11 April 1961 through 8 May 1961:

No

1. There are suggestions in Soviet and bloc official statements that the USSR is preparing the ground for a formal diplomatic initiative on the Berlin problem and that the Berlin situation will become increasingly spotlighted in the coming months. The Soviet call for a resumption of negotiations could come at any time. Khrushchev himself, however, used a 24 April conversation with West German Ambassador Kroll to offset any impression that he felt committed to a showdown on Berlin before the Soviet party congress in October, thereby extending his previously vague but implicit "deadline" of not waiting for the West German elections in September.

2. There have been no significant developments adversely affecting access to Berlin and East Berlin during the period covered by this report. []

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Situation in Laos

[Government reports indicate continuing maneuvering by enemy elements on the immediate northern and eastern approaches to Luang Prabang. The situation is obscure, and the anxiety of the Laotian Army commanders in the area is compounded by the poor quality of the city's defending forces, which comprise mostly volunteer-type troops and new recruits. Meanwhile, Muong Houn, about 50 miles west of Luang Prabang, has fallen into enemy hands as a result of abandonment of the position by the government garrison.]

The Souvanna delegation going to Geneva is headed by Quinim Pholsena, information minister and acting finance, defense, and foreign affairs minister in the "Royal Laotian Government"; the Pathet Lao group is led by Phoumi Vong-vichit, secretary general of the central committee of the Neo Lao Hak Sat--the political arm of the Pathet Lao. [The proposed Boun Oum government delegation consists of Phoumi and fellow cabinet members, Nhouy Abhay, Ngon Sananikone, and Sopsaisana, plus several advisers.]

[In Saigon, South Vietnamese Foreign Minister Vu Van Mau has told Ambassador Nolting that the Diem government considers it vital that the Boun Oum government delegation be seated as the official Laotian representation at Geneva. Mau said that any compromise which would not permit the government delegation to be seated would be degrading, but he indicated that an observer role for the Pathet Lao would be acceptable. He said that he would prefer to see Laos not represented at all rather than by observers from the opposing factions, as this would equate the government and the rebels. Mau indicated that the Diem government had not yet decided on its own participation, but Ambassador Nolting expects South Vietnam to attend.]

Chou En-lai has written Prince Sihanouk urging him to join in the Geneva Conference on Laos. There has been some indication that Sihanouk would like some face-saving pleas

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from other participants that would permit him to join the conference gracefully. Chou's appeal to Sihanouk that the conference "cannot be held without participation of your royal highness," was coupled with an attack on the US--"continually trying to sabotage convening of such a conference."

The day Chou's letter to Sihanouk was published in Phnom Penh, 8 May, the Chinese Communist premier also implied concern lest Peiping be denied its first major diplomatic confrontation with the US since 1954. Speaking at a Peiping banquet for the Geneva delegations of North Vietnam, the Pathet Lao, and Souvanna Phouma's "lawful government," Chou emphasized Peiping's support for the conference and complained, "but no one really knows whether the US will in fact participate." [redacted]

[redacted] On 7 May airlift operations consisted of a total of six sorties, one of which involved a Soviet LI-2 in a round-trip flight from Hanoi to Xieng Khouang. On 8 May, airlift operations involved a total of 20 sorties, five of which involved Soviet IL-14s in round-trip flights from Hanoi to Xieng Khouang. An additional five sorties by Soviet transports may have been flown into Laos on 8 May via Dien Bien Phu. On 9 May, five Soviet IL-14s and one North Vietnamese LI-2 made flights to Xieng Khouang. Nine Soviet IL-14s and two Soviet LI-2s were scheduled for flights into Laos from Hanoi on 10 May. [redacted]

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~~SECRET~~New Iranian Cabinet

[Prime Minister Amini gave in to the Shah's insistence that General Naqdi be retained as minister of war and General Amir-Azizi as minister of the interior. Both Naqdi and Amir-Azizi are capable officers with whom Amini feels he can work. Amini had, however, earlier demanded that he be free to choose his cabinet without interference; his apparent willingness to compromise on this point may indicate the extent to which he is willing to go to remain prime minister, as well as a realization that the Shah is not likely to tolerate any interference with the army. In 1953, the attempt by Mossadeq, then prime minister, to take over control of the army was a turning point in his relations with the Shah and one of the major factors which led to his downfall.]

[The new minister of justice, Nur ed-Din Alamuti, was once a member of the Executive Committee of the Communist Tudeh party, but he claims he broke with that party in 1946. Minister of Industry Gholam Ali Farivar, although apparently not a Tudeh member, has supported and been supported by the Tudeh in the past. Minister of Agriculture Hassan Arsenjani has been described by various sources as a leftist, but there is no evidence that he was ever a Tudeh member, and he has in the past publicly opposed the Tudeh. Arsenjani has, however, frequently been associated with groups opposed to the monarchy.] The over-all composition of the cabinet suggests an attempt by Amini to establish a balance between right and left and thus prevent the pressure on him from either side from becoming too strong.

The Iranian constitution requires that elections for a new parliament must begin within a month after dissolution of the previous parliament. New elections would give Amini an opportunity to establish a parliamentary base of power. He had earlier been reported reluctant, however, to hold new elections until he had an opportunity to make some progress in other areas. The Shah, in his decree, said that a new electoral law must be drafted before new elections are held, and it is probable

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that the one-month time limit for starting new elections may be ignored. It is also not clear whether parliament was dissolved on the initiative of the Shah or the prime minister. If the move was made without Amini's consent--which seems unlikely--a strong reaction from Amini, possibly even his resignation, can be expected.

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Baathist Leader Plans Coup in Jordan

[The coup plans of Dr. Munif Razzaz are in effect an updating of longer range plans that Baath party leaders have discussed with other dissident parties for eventually overthrowing King Husayn's regime. Razzaz reportedly feels that the major problem will be to overcome deep-seated fear and general inertia among Jordanian subversives caused by the failure of various previous coup attempts. He believes the government is capable of forcibly suppressing anti-regime demonstrations and therefore does not favor them. He considers that some dramatic action--such as an "accident" for the King--is "the most effective way to set things in motion," after which it will be "easy" to mobilize nationalist and popular support for necessary further action against pro-regime elements.]

[The National Socialist and the Qawmiyin al-Arab (Arab Nationalist) parties are the other groups with which Razzaz expects to cooperate. The National Socialists include several prominent former Jordanian leaders--e.g., former Prime Minister Fawzi Mulqi--and they probably have the greatest potential popular base of support. The Baathists, on the other hand, have developed an apparently effective clandestine apparatus which receives arms infiltrated from the UAR and the pan-Arab Baathist leadership.]

[Jordanian Baathist activities have been hampered by internal factionalism during at least the past year and a half. These differences resulted in 1959 in the expulsion of party leader Abdullah Rimawi, a former Jordanian cabinet minister. The UAR's Nasir, who has suppressed Baathist activities in Syria, subsequently backed Rimawi as leader of a splinter Baathist group in an apparent attempt to usurp control of the party and its assets and activities throughout the Arab world.]

[Nasir's plan does not appear to have been very successful. Dr. Razzaz, in discussing Baathist factionalism, now claims that Rimawi is "finished" and that the rival factions in Jordan have drawn closer together again. He expects the]

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[forthcoming effort to unseat Husayn's regime will sublimate if not eradicate any remaining differences.)

(The success of Razzaz' plans also depends on the achievement of some accord between the UAR and the pan-Arab Baathist leadership. He said he realizes the UAR will drive a hard bargain with the Baath, but expressed willingness to subordinate party doctrines, for the time being, in the interest of unified action. It is not presently known whether Razzaz has discussed his plans with the leaders of the pan-Arab Baath party in Beirut.)

[Razzaz--to whom all the problems involved in such a coup seem surmountable--believes the United States probably would continue to provide economic assistance through the UAR to the new regime he envisages for Jordan. If not, he assumes the Soviet bloc would provide such assistance.]

(Organized political parties were banned in Jordan in 1957 after a free election almost resulted in a pro-UAR coup. The party organizations have persisted despite arrests and other harassment, and Husayn has even approached them about installing certain of their members in the government as a means of increasing support for his regime. Razzaz was among those approached, and last December he reportedly requested the Baath party's pan-Arab leadership to approve the participation of Jordanian Baathists in the government under certain conditions. The central headquarters is said to have rejected the request, directing the party in Jordan to join instead with other Jordanian nationalists in forming a "national front" in opposition to Husayn.)

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Moroccan Workers at American Bases Consider New Pressure Tactics

Leaders of the United States Baseworkers' Association, established in 1956 and affiliated with the left-wing Moroccan Labor Union (UMT), have been agitating for several months for wage increases and other benefits. Their control over Moroccan workers at the bases has been demonstrated in a series of increasingly effective strikes within the past month. A one-hour sit-down strike was held on 7 April when strike leaders also threatened a demonstration in front of the US Embassy. Subsequently, on 17 April and 3 and 4 May, 24-hour and 48-hour strikes were called, absenteeism being nearly 100 percent on 3 and 4 May.

The US Embassy anticipated in late April that the left-wing National Union of Popular Forces and the UMT, which have been seeking ways to attack the Moroccan Government, might use the presence of the American bases and alleged disregard of workers' rights for a convenient and popular pretext for a "protest and display of muscle." Full UMT support of the base workers could lead to placing a cordon around the bases to interfere with the water supply and other contractual services, halting the movement of military material, or refusing to handle US military shipments through the port of Casablanca.

The Istiqlal party press, particularly since the announcement early in March that France had speeded up the schedule for evacuation of its troops, has been pressing the government to obtain an accelerated schedule for American withdrawal. Conversely, however, representatives of the Istiqlal-dominated union on 24 April maintained that wages and labor relations on the bases were satisfactory and that baseworkers' demands were only a "reflection of irresponsible leadership!"

[Although Moroccan officials suggested a year ago that the schedule for American evacuation might be stepped up, King Hassan II implied to an American correspondent in mid-March that the 1959 agreement would stand.]

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~~CONFIDENTIAL~~Bloc Economic Overtures to Brazil

As in all bloc aid programs, details of the Rumanian credit must be worked out later. The agreement, however, is the largest credit arrangement ever offered by Bucharest and is the first in which Brazil has accepted substantial economic aid from the bloc. The only previous bloc aid to Brazil has been in the form of medium-term commercial credits, amounting to less than \$4,000,000 to finance Czech and Polish exports.

Khrushchev, in a conversation with the head of the Brazilian trade delegation now in Moscow, stated that the restoration of diplomatic relations between the two countries would provide a "strong stimulus" for a significant expansion of trade. Since Quadros was inaugurated, Brazil has expanded its diplomatic ties with Eastern Europe to include all the satellites except East Germany. These countries now are responding favorably to Brazil's requests for credits, technical assistance, and expanded trade. The Brazilian mission touring Eastern Europe is likely to conclude further aid agreements, and Moscow probably will offer a sizable credit to Brazil if arrangements are made for the eventual exchange of diplomatic representatives.

The Chinese Communist trade delegation now in Brazil is assessing the opportunities for Sino-Brazilian trade. Peiping's contacts with Latin American countries, except Cuba, have been extremely limited. Leftist Brazilian Vice President Goulart reportedly has said he will visit China in June to "formalize" the trade contacts being made now. The Chinese probably envisage the conclusion of a trade agreement as a prelude to political recognition.

The initiation of a Soviet bloc aid program in Brazil will serve to promote bloc interests far better than normal trade contacts, which in Brazil have not proved particularly successful. Bloc-Brazilian trade rose moderately last year to nearly \$150,000,000--some 6 percent of Brazil's foreign trade. Poland and Czechoslovakia accounted for more than half this amount, while the USSR's share increased to nearly 20 percent. Despite

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the increase, however, the goals of the major trade agreements with the USSR, Poland, and Czechoslovakia were not met. Any significant expansion of trade depends on the bloc's willingness to accept greater amounts of coffee, cacao, iron ore, and other raw materials from Brazil. Bloc credits will facilitate long-term trade while adjustments are made to accommodate greater bloc purchases of these products.

Brazil's poor prospects for increasing its exports substantially--accentuated by the world's surplus of coffee--are prompting the country to explore bloc relations in the hope of stimulating new markets. Brazil is expected to produce 40,000,000 bags of coffee in the 1961-62 crop year, while recent exports and internal consumption have come to only 25,000,000 annually.

The Quadros administration is also negotiating for foreign aid from the United States, Western Europe, Japan, and the International Monetary Fund on a far more extensive scale than from the bloc. The Brazilian mission which is touring Eastern Europe has also concluded a trade and aid agreement with Yugoslavia. [redacted]

[redacted]

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~~CONFIDENTIAL~~Soviet Commandant in Berlin Transferred

Maj. Gen. N. F. Zakharov, former Soviet commandant in Berlin, left the city on 30 April for transfer to an undisclosed post. He departed without making the usual formal calls on his opposite numbers. US Commandant Osborne first learned of Zakharov's departure on 1 May when an officer at the Soviet Kommandatura in Karlshorst called to say that Zakharov would not be able to receive Osborne the following day. Osborne had wanted to take formal leave prior to his own departure for another assignment.

Zakharov, who took over the Berlin post in February 1958, had been absent in recent weeks on sick leave. His political adviser, Lt. Col. Odintsov, also slipped out of town, apparently in late March, without taking formal leave of his Western opposite numbers.

Soviet Ambassador Pervukhin in East Berlin presumably would take over certain functions now exercised by the Soviet commandant--notably contacts with Western occupation authorities--while other functions would be transferred de facto to East German authorities in East Berlin. Such a move was foreshadowed last December when Pervukhin told US Ambassador Dowling that he, Pervukhin, was solely competent in matters of Soviet-American interest in Berlin. He further declared that the Soviet commandant was in no sense a sector commander, on a par with the US commandant, but was merely head of the Soviet garrison in East Berlin.

From the USSR's viewpoint, downgrading the commandant's post would tend to underline East Germany's "sovereignty" over the Soviet sector and would be yet another step toward the formal incorporation of East Berlin in East Germany. [redacted]

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The Director of the Budget

The Director, Office of Civil and Defense Mobilization

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The Director, International Cooperation Administration

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U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

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The Director

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