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CENTRAL

INTELLIGENCE

BULLETIN



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2 DECEMBER 1960

I. THE COMMUNIST BLOC

Brief communiqué issued at end of Communist conference in Moscow aims at countering speculation that Sino-Soviet differences continue.

(1)

East German bargaining position in trade negotiations with West Germany strengthened by Soviet agreement to supply goods if West Germany severs trade on 31 December.

(2)

Soviet Defense Minister Malinovsky apparently either ill or away from Moscow; evidence suggests he remains in good favor.

(3)

**II. ASIA-AFRICA**

South Koreans formerly influential with Rhee regime, in wake of recent punitive legislation, may attempt forceful action against Chang Myon government.

(4)

Iraq--Communist participation in 3 December Baghdad parade could lead to clashes with nationalists.

(5)

Ethiopia shifting gradually toward more neutralist position.

(6)



(7) Laos--Special assembly session may be held in Luang Prabang to seek political settlement.

III. THE WEST

(8) Venezuela--Violence has spread from Caracas to some provincial cities; opposition groups reported planning wave of strikes.

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CENTRAL INTELLIGENCE BULLETIN

2 December 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

*International Communism: The brief communique issued on 1 December at the close of the meeting of world Communist leaders in Moscow seems intended to dispel speculation that the main participants have been unable to reach any agreement on a joint statement of policy. By noting that a "statement of workers' and Communist parties" has been unanimously adopted, this communique resembles the one issued at the close of the meeting which was held in Moscow in 1957. In 1957, both a communique noting that a Declaration had been adopted and the Declaration itself were published some days after the meeting had ended and most of the delegates had returned home.

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The statement mentioned in the present communique may not be released until all the delegates have returned to their capitals, as in 1957. Although the communique states that the "discussions took place in an atmosphere of fraternal friendship," the exchanges in the Soviet and Chinese press during the past week suggest that the meeting has not successfully reconciled the basic differences between the two parties.

USSR - East Germany - West Germany: Khrushchev's agreement to supply East Germany with the "necessary raw materials and goods" if West Germany carries out its threat to sever trade on 31 December strengthens the East German bargaining position on the eve of negotiations with the West Germans. The Soviet move, following a meeting between Ulbricht and the Soviet premier on 30 November, is designed to back up the East German desire to push negotiations up to the

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ministerial level--implying recognition of the Ulbricht regime by Bonn--rather than deal with a special West German trade agency located in West Berlin as heretofore. The East Germans probably have been encouraged by evidences of differences among West German officials concerning the conduct of negotiations and may feel they can maneuver Bonn into making significant concessions.

USSR: The identification of Soviet Marshal Andrey Grechko as "acting minister of defense" may indicate only that Marshal Malinovsky is either ill or away from Moscow. In reaction to Western press speculation that Malinovsky had been deposed, a Soviet spokesman announced he is "resting." There have been recent rumors and unconfirmed reports of dissension in the Soviet high command; most of the evidence, however, suggests that Malinovsky remains in good favor. In the past, public identification of an official as "acting minister" has not necessarily portended removal of the incumbent.

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II. ASIA-AFRICA

South Korea: Punitive ex post facto legislation, which threatens South Koreans formerly influential with the Rhee regime, may cause some of them to attempt forceful action against the government. The former Rhee lieutenant and strong man, Yi Pom-sok, is reportedly attempting to rally such elements in an attempt to bring down the Chang Myon government by disrupting the nationwide local elections scheduled to begin on 12 December. Any demonstrations staged by Yi or former Rhee associates are almost certain to provoke student reaction with accompanying violence.]

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Iraq: Communist insistence on participating in the 3 December parade on the anniversary of Qasim's release from the hospital last year may lead to clashes between Communists and nationalists in Baghdad.

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On 29 November Qasim gave in to Communist pressure and ordered the release of several Communist editors arrested

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in mid-November for criticizing the regime. His intervention to save Communists from punishment by the military courts will further antagonize anti-Communist military elements.

Ethiopia - Communist China: [An official Ethiopian cultural delegation is leaving for Peiping on 9 December,

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This trip, which follows tours in Ethiopia by two Chinese cultural groups, is in response to considerable urging by Peiping for closer ties. It is the latest sign of Addis Ababa's gradual shift toward a more neutralist position, as recently indicated in its vote against the West in connection with the issue of seating Communist China in the UN.] (Page 2)

*Laos: [A National Assembly delegation led by former Premier Tiao Somsanith has agreed with General Phoumi in Savannakhet to convoke a special assembly session soon in Luang Prabang to seek a political settlement. In spite of this agreement, contact between Vientiane's and Phoumi's forces in the Pak Ca Dinh area is continuing; a Vientiane-held outpost apparently has been captured by Savannakhet elements. The attacks by Phoumi's forces may persuade the Souvanna Phouma government to prevent assembly deputies still in Vientiane from attending any session in Luang Prabang.] (Page 3)

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III. THE WEST

Venezuela: Sporadic violence which began on 25 November in Caracas has now erupted in some provincial cities, and opposition groups are reported to be planning a wave of strikes. Strong progovernment labor components are moving to counteract the labor unrest, and Betancourt continues to have the support of the armed forces. However, the Venezuelan Government also fears a rightist coup attempt backed by Dominican dictator Trujillo. Should such an attempt be made and gain even limited military backing, instability would be compounded and Betancourt's regime threatened.

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[Pending ex post facto legislation which would threaten prominent South Koreans associated with the former Rhee regime may be encouraging some of them to attempt forceful action against the government. Such legislation would impose confiscatory fines totaling about \$20,000,000 on 24 leading industrialists and businessmen. Some 19,000 persons, including 21 legislators, would lose their civil rights for seven years, and an estimated 50,000 others would be subject to screening by special revolutionary tribunals. Many former high civilian and military officials would be subject to the death penalty.]

[The constitution was amended on 29 November to permit enactment of ex post facto legislation. Efforts by Prime Minister Chang Myon the following day to moderate punitive provisions of the pending bills were defeated in the House of Representatives. Ambassador McConaughy, however, sees a good chance that the range of the persons to be affected by the legislation will be narrowed.]

[Former Rhee lieutenant and strong man Yi Pom-sok, one of the 21 legislators proscribed by the pending laws, reportedly hopes to gain enough support from others who would be affected to bring down the government by disrupting the nationwide local elections scheduled to begin on 12 December. In addition, the demonstrators will demand the recall of McConaughy, whom they accuse of taking a major part in Rhee's ouster. [] have alleged that Yi, with the support of some military officers, is plotting to seize power.]

[Any demonstrations staged by Yi or other former Rhee associates would almost certainly provoke student reaction and could result in renewed mass violence. The police probably have not regained enough strength to handle such a situation. The military forces have the ability to preserve public order, but there have been reports of dissident activity among senior army commanders who are critical of Prime Minister Chang Myon and Army Chief of Staff Lt. Gen. Choe Kyong-nok.]

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~~SECRET~~Ethiopia Sending Delegation to Peiping

[An official Ethiopian cultural delegation is being sent to Communist China on 9 December,

Participating in this visit to Peiping and other Chinese cities will be the Ethiopian vice minister of press and information as well as a troupe of folk dancers. In recent years at least two Chinese cultural groups have visited Addis Ababa.]

[The decision to send the cultural delegation is a further indication of Ethiopia's gradual shift toward the neutralist bloc. Early last month Emperor Haile Selassie implied to American officials that he might soon recognize Communist China. As part of its efforts to maintain good relations with Afro-Asian neutrals, Ethiopia also voted this year to consider Peiping's admission to the UN--the first time it has taken this position at the General Assembly.]

[Communist China has been competing with Nationalist China for Ethiopia's recognition. Last February a Communist ambassador and a Nationalist Foreign Ministry goodwill mission visited Addis Ababa simultaneously. Peiping's ambassador to the Sudan, who escorted a troupe of Chinese acrobats to Ethiopia, reportedly told the Emperor about Mao Tse-tung's desire for diplomatic relations.]

[Recognition and exchange of representation between Addis Ababa and Peiping may not be long delayed. Diplomatic exchanges may be accelerated if the Somali Republic, Ethiopia's neighbor and bitter rival, implements its apparent intention of establishing relations with Communist China as well as with several other Communist nations.]

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The Situation in Laos

A delegation of National Assembly deputies from Vientiane, led by former Premier Tiao Somsanith, agreed with General Phoumi in Savannakhet on 1 December to hold a special assembly session in Luang Prabang in another attempt to find a solution to the four-month crisis. Later in the day the delegation flew back to Vientiane, [where it planned to discuss the subject of the meeting with the 36 deputies still remaining in the capital. The remaining 23 members of the assembly are outside the capital and are believed for the most part to be sympathetic to Savannakhet.]

In an apparent maneuver to ensure that the Luang Prabang session would be held, Phoumi in his talks with Somsanith did not close the door on a government of national union, including the Pathet Lao's political front, the Neo Lao Hak Sat (NLHS). [Phoumi indicated

[redacted] that once in Luang Prabang, his group would hold out against NLHS participation in a compromise government.] He probably hopes that enough of the Vientiane contingent of the deputies would vote with his bloc to overthrow the Souvanna government, paving the way for the formation of a rightist government which he could dominate. A vote on any no-confidence motion against Souvanna might be extremely close, however, in view of reports that many of the deputies are persuaded that his concept of a government of national union provides the only way out of the present impasse.

[redacted] Phoumi's offensive in the Nam Ca Dinh area, some 100 miles east of the capital, is apparently meeting with some success. [redacted] now admits that Phoumi's troops have taken a Second Paratroop Battalion outpost south of the Ca Dinh River. He said Vientiane forces were either dispersed in the brush or withdrawing across the Ca Dinh. Phoumi's attacks may lead Souvanna to oppose the proposed National Assembly session]

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[in Luang Prabang. Captain Kong Le, who is now Vientiane garrison commander, is probably keeping the deputies under surveillance in order to prevent their departure to Luang Prabang.]

[Captain Southee, who was supposed to command Souvanna's projected attack on Luang Prabang, has defected to the Luang Prabang garrison, together with the three companies under his direct command. He claims that some 2,000 Pathet Lao were to participate in the attack. Souvanna has deferred giving the order for an attempt to take Luang Prabang pending the outcome of the current efforts for a political settlement.]

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~~SECRET~~Unrest Continues in Venezuela

Sporadic violence, which has continued in Caracas since 25 November, has now erupted in some other Venezuelan cities. The sharp division within organized labor and the death of a student at the hands of government security forces are contributing to the tension.

President Betancourt is still believed to command the support of most of the armed forces and to be in control of the immediate situation. He may be expected to act against the leftist pro-Castro opposition with increasing firmness. The government has made widespread arrests of agitators, and on 30 November it banned the Communist newspaper and that of a Marxist faction involved in the recent disturbances.

Local headquarters have been alerted to prepare troop units for prompt transfer to Caracas if needed to maintain order.

Leftist opposition groups are reported to be planning a wave of strikes which strong pro-government labor elements are moving to counteract. Such strikes would probably intensify Betancourt's critical economic problems, which include a large budget deficit. During a discussion with Ambassador Sparks on 30 November, the new finance minister expressed the opinion that Betancourt could not long survive without sizable US aid, and stressed his fears of a pro-Castro takeover.

The government, which also fears a rightist coup attempt supported by Dominican dictator Trujillo, requested the Organization of American States on 30 November to consider its charges that the Dominican Republic was again plotting to intervene in Venezuela. Betancourt was seriously injured by a Dominican-backed assassination effort last June. A rightist coup attempt, with even limited backing by dissident military elements, in combination with the present leftist violence would pose a grave threat to Betancourt's regime.

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