

~~TOP SECRET~~



3.3(h)(2)

3.5(c)

1 May 1961

Copy No. C

79

CENTRAL INTELLIGENCE BULLETIN



~~TOP SECRET~~

~~TOP SECRET~~



~~TOP SECRET~~

~~TOP SECRET~~

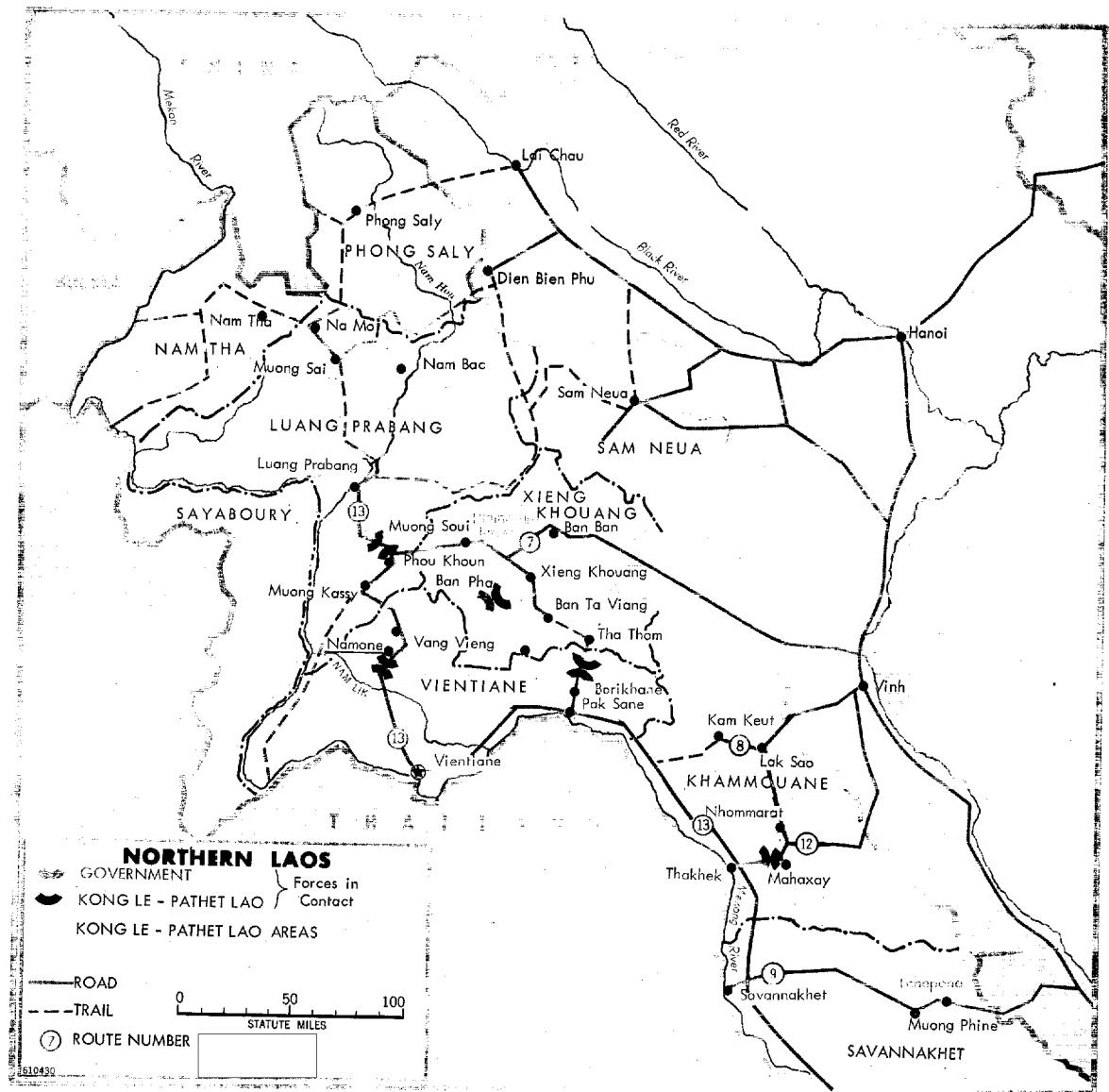
1 May 1961

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

1. Laos. (*Page i*)
2. Congo. (*Page ii*)
3. Communist China: Health conditions reported deteriorating because of malnutrition. (*Page ii*)
4. Japan: Ikeda government criticized for rising consumer prices and deficit in trade accounts. (*Page ii*)
5. Singapore: Prestige of ruling People's Action party damaged by defeat in by-election. (*Page iii*)
6. Somali Republic: UAR to furnish jet pilot training and organize commando-type unit in Somali Army.
(*Page iii*)
7. USSR: Soviet "good-will mission," reportedly headed by Kosygin, to tour Latin America. (*Page iii*)
8. Britain - West Indies: Constitutional talks opening in Trinidad on 2 May; independence likely in 1962. (*Page iv*)

~~TOP SECRET~~



1 May 61 CENTRAL INTELLIGENCE BULLETIN Map Page

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

1 May 1961

Sirab

DAILY BRIEF

*Laos: Souvanna Phouma announced yesterday that his representatives would be prepared to begin cease-fire talks "as from 1 May" at Namone village, inside Pathet Lao -held territory seven miles south of Vang Vieng on Route 13, instead of at Xieng Khouang. Subsequently, a statement signed by Pathet Lao leader Prince Souphanouvong was broadcast stating that a Pathet Lao delegation had been ordered to proceed to Namone. Souvanna's announcement set no date for a de facto cessation of hostilities, as sought by Vientiane, and repeated Souvanna's package plan for holding talks on the formation of a provisional coalition government and the appointment of a Laotian delegation to the projected international conference at Geneva concurrently with the talks on a cease-fire. Souvanna's statement, issued at Xieng Khouang in the name of the "Laotian government," obscures the question of a deadline for the "Savannakhet group" to meet with representatives of his regime and the Pathet Lao. Hanoi on 29 April broadcast Pathet Lao stipulations on the functioning of the International Control Commission (ICC) in Laos which would circumscribe that body's effectiveness to supervise a cease-fire.

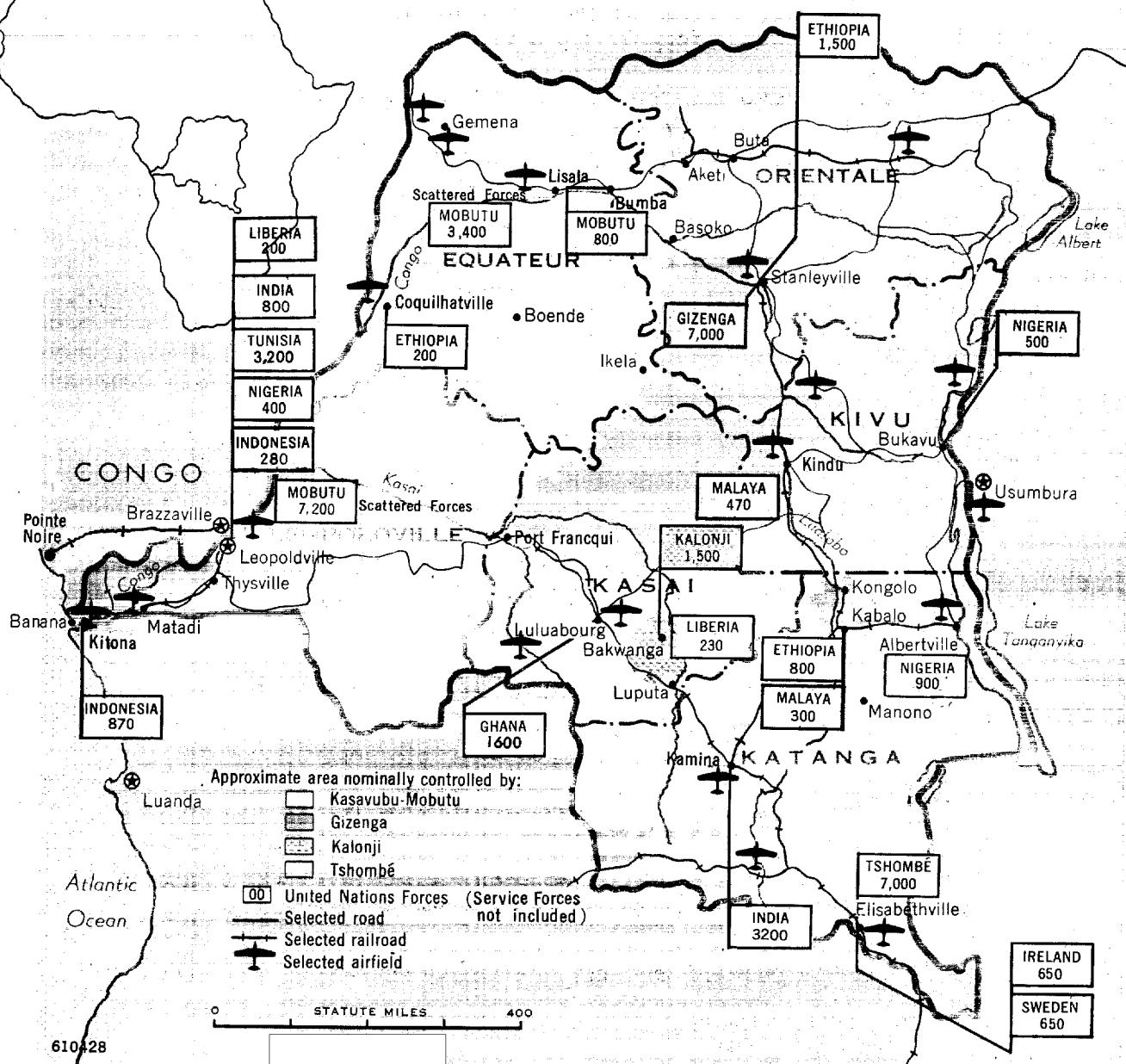
[On the military side, the Kong Le - Pathet Lao forces reportedly have made new gains in northern Luang Prabang Province and appear to be moving guerrilla elements into position closer to Luang Prabang and Vientiane.]

[Six Soviet IL-14s flew airlift missions to Xieng Khouang on 28 April. On 29 April eight IL-14s flew to Xieng Khouang and two LI-2s dropped supplies in the Nam Bac area, north of Luang Prabang. On 30 April, a Soviet LI-2 flew to Xieng Khouang and a North Vietnamese AN-2 flew to Sam Neua. Two flights were scheduled for 1 May.]

(Backup, Page 1) (Map)

~~TOP SECRET~~

Republic of the Congo



1 May 61

CENTRAL INTELLIGENCE BULLETIN

Map Page

~~TOP SECRET~~

*Congo: Resolutions passed by the Coquilhatville conference of Congolese leaders, as announced by Foreign Minister Bomboko yesterday, appear to reflect primarily the opinions of Leopoldville-based politicians; the resolutions critical of both the Tshombé and Gizenga regimes, seem unlikely to find significant support in either Elisabethville or Stanleyville. CK
 Ambassador Timberlake commented on 29 April that the "unsophisticated" effort of the Congolese Army to keep the leaders in Coquilhatville until agreement is reached could hardly be successful and was likely merely to prolong the stalemate and widen the differences among the various Congolese factions. Tshombé is still under detention; yesterday Congolese government spokesmen said he would be detained indefinitely, would be removed to Leopoldville, and his release would depend upon "events." The disarming on 28 April by Congolese forces of a Ghanaian unit of UN troops at Port Francqui appears to have been done on local initiative. delete last sent 7/1/2.

(Backup, Page 3) (Map)

Communist China:

malnutrition is becoming a serious medical problem in mainland China.

stated recently in Hong Kong that 70 percent of her patients were suffering from "excruciating neuralgic pains" brought on by inadequate diet.

estimates on the basis of his personal observation that between 20 and 30 percent of the population in Communist China had symptoms of nutritional edema--a disease which is fatal if not properly treated.

(Backup, Page 5)

OK

Japan: Rising consumer prices and a deficit in Japanese trade accounts during the first three months of 1961 have created an undercurrent of uneasiness about the Ikeda government's economic program. Within the past week, two influential business associations which normally support the government party have charged the government with aggravating the situation by unnecessarily yielding to labor's demands for wage increases. Limited OK

~~TOP SECRET~~

~~TOP SECRET~~

price rises and trade deficits were expected to result from Ikeda's long-range economic development program, but they have occurred sooner and are larger than anticipated. While the situation has not become critical, a worsening during the next several months could affect the standing of the present government.

[Backup, Page 6)

Singapore: (The decisive defeat of Singapore's ruling People's Action party (PAP) in a 29 April by-election is a damaging blow to the party's moderate socialist leadership, which had committed its prestige to the outcome. Ong Eng Guan, a former PAP leader and cabinet officer who was expelled from his party and government posts in mid-1960 after he charged that the leadership had lost its socialist and anticolonial fervor, won a personal triumph in the election as an independent and now is in a position to appeal for defections among the party's rank and file. To avoid demoralization within the party, the PAP leadership may call for a new general election, which it would probably win but with a reduced majority and at the price of concessions to pro-Communists, who control much of the party's mass base.)

[Backup, Page 7)

Somali Republic - UAR: The Somali Government, concerned over Ethiopia's increasingly tough border policy and discouraged by the lack of military assistance from Western sources, is turning to the UAR for arms aid.

Cairo will respond favorably to Somali requests for jet pilot training and for organizing a commando-type unit in the Somali Army. This assistance is presumably being granted under the terms of a military accord signed by Premier Abdirschid and President Nasir late last year. At least two arms shipments had been delivered to Somali ports under this agreement as of early March.

[Backup, Page 9)

USSR - Latin America: A large Soviet "good-will mission," reportedly to be headed by an "important political figure," will [In Backup delete 2nd sentence of IP 4]

1 May 61

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

soon leave the USSR for a tour of Latin America, [redacted]

[redacted] The delegation will include cultural and trade promotion officials. [redacted] the mission is timed to exploit the atmosphere resulting from the recent failure of Cuban insurgents. According to a Western correspondent in Moscow, First Deputy Premier Kosygin will head the delegation. [redacted] (Backup, Page 10)

Britain - West Indies Federation: [redacted] The premiers of Jamaica and Trinidad fear the demands of the smaller islands in the West Indies Federation for strong central powers may seriously affect the constitutional talks opening in Trinidad on 2 May and continuing in London on 31 May. Anticipating difficult negotiations, Colonial Secretary Macleod has solicited US public statements which would support a loose federation. He also wants the US to indicate that such a federation would receive more aid than would the separate units if the constitutional talks were to break down. London, which hopes to compromise the differences between the smaller and larger islands, aims to grant independence to the West Indies, probably in 1962. [redacted] No

[redacted] (Backup, Page 12)

1 May 51

DAILY BRIEF

iv

~~TOP SECRET~~ [redacted]

~~SECRET~~Situation in Laos

On 30 April enemy elements in northern Luang Prabang Province were reported to have captured Na Mo, a village about 23 miles northwest of Muong Sai, but the situation in this area is still not clear. The government force which recently evacuated Muong Sai had earlier been reported regrouping in Na Mo, with some elements of this force withdrawing westward to Nam Tha town, which the government expects to be the enemy's next objective. A village 15 miles northeast of the royal capital of Luang Prabang has also been occupied by a Pathet Lao force of about 300 men. A band of about 200 or 300 enemy guerrillas is reported active about 25 miles above Vientiane, east of Route 13 and south of the Nam Lik River.

The situation east of Savannakhet remains generally obscure. Government troops were reported yesterday still in control of Tchepone, but under fire. The picture presented by reports from the area is one of scattered action by several enemy groups along Route 9. Fighting has continued on the Thakhek front.

On 30 April, Vientiane Radio broadcast a message from army commander General Bounleut again urging the Pathet Lao to meet for truce talks in neutral territory between the opposing lines above the Nam Lik River on the front south of Vang Vieng. The message stressed that government units have been ordered to hold fire unless attacked.

In New Delhi, the International Control Commission (ICC) has been working to ready its recommendations on procedural matters to be forwarded to the Geneva co-chairmen, Britain and the USSR. The Pathet Lao commentary on the ICC which was broadcast by Hanoi on 29 April said that the Laotian people would "welcome" the ICC, but that "to carry out its functions correctly and secure favorable conditions for its work," the ICC "must correctly implement the relevant stipulations." The commentary said that "to win the support of the Laotian

~~SECRET~~

~~SECRET~~

people...," the ICC "has to cooperate closely with the joint armistice commission to be appointed by a meeting of the parties concerned in Laos, under the sponsorship of the legal government." In effect, this would subordinate the ICC to a domestic body probably dominated by the Pathet Lao. The Pathet Lao commentary also voiced opposition to the dispatch to Laos of any military observers or troops of the ICC member nations to help supervise the cease-fire. The entry of foreign troops, it said, "would not be helpful and, as in the Congo, would even worsen the situation."

~~SECRET~~

~~SECRET~~

The Situation in the Congo

The arrival at Port Francqui of a Congolese provincial official from Luluabourg to investigate the increasing tension between members of the Lulua and Baluba tribesmen apparently instigated the attack by the Congolese Army on the UN units. The Congolese apparently believed the UN was either behind the inspection or would protect the official in his probe. At least three of a 60-man Ghanaian unit were killed and the remainder captured by the numerically superior Congolese unit. The incident is indicative of Congolese sensitivity to what they feel is UN interference in their affairs.

[In Leopoldville, relations between the UN and the Kasavubu government are expected to worsen after the return of UN representative Dayal. The government has indicated that when Dayal returns, it intends to issue a release labeling him an "uninvited foreigner" and strongly implying that it may call for popular demonstrations "to dissipate any doubt which might remain in Mr. Dayal's mind concerning the usefulness of his presence in Leopoldville, which can only obstruct the success of UN operations in the Congo."]

[In Katanga, anti-Belgian sentiment is reported to be growing within the Katanga Government. Interior Minister Munongo,

[] is reported to have joined a pro-French clique of Katangan ministers. The Belgians in Katanga apparently believe that if Munongo should attain power, he would replace Belgian advisers with French or other foreign technicians proposed by the UN.]

The US consul in Elisabethville reported on 29 April that official and public reaction to the news of Tshombé's detention had been slight. The Katangan Council of Ministers had been meeting three times daily, but the only important decision was the proclamation of a limited state of emergency--a move apparently aimed at preventing the movement of Balubas and other Africans hostile to the government and the mass exodus of Belgians. Munongo and

~~SECRET~~

~~SECRET~~

the other ministers have not assumed power. Although National Assembly President Charles Mutaka announced that he is constitutionally entitled to assume temporary command of the government when the president's position is vacated during an assembly session, UN representatives and foreign consuls summoned to a meeting by the Council of Ministers on 29 April were informed that Tshombé was considered absent for a conference and that no governmental reorganization was envisaged.

[Monetary problems in Stanleyville, which appeared serious in February, are now reported partially resolved. Soldiers and noncommissioned officers are paid regularly and fully; army officers and civil servants up to 75 percent. Reports are contradictory regarding the source of these funds.]

[] claim that monetary regulations were effective, while [] say that 500,000,000 francs were made available by friendly countries.]

[] However, no abnormal number of new bank notes are in evidence. Moreover, with the exception of two Egyptian telecommunications technicians to keep the Stanleyville-Cairo line functioning, no foreign technicians have been observed in Stanleyville.]

~~SECRET~~

~~SECRET~~

Health Problems in Communist China

[Mao Tse-tung reportedly told an American journalist last autumn that the average Chinese peasant currently was lucky to receive 1,000 calories in food a day. According to a nutritional study made by the Chinese Communists last year, the average peasant needs 3,000 calories a day to do his work.] Refugees from the mainland have reported a rapid climb in tuberculosis, liver disease, and stillbirths as a result of substandard diets. The inadequate diet--particularly the shortage of fats--is at least partially responsible also for the apathy now reliably reported widespread in Communist China.

Most of these ailments are progressive. Even if the diet of the average Chinese were to be substantially improved in the immediate future, it would take many months before the damage could be overcome. Labor productivity will continue to be affected by the present extent of malnutrition.]

~~SECRET~~

~~CONFIDENTIAL~~Economic Uneasiness in Japan

The average consumer price rise of 4 percent in the past year equals the total increase during the five-year period from 1955 to 1960. Despite unprecedented economic prosperity in Japan and a steadily improving standard of living, this increase has aroused some public discontent with the Ikeda government, which had publicly predicted that prices would rise only about one percent this year.

The trade account deficit of \$230,000,000 during the first quarter of 1961 reflects a very high rate of investment in new plant and equipment as part of the government's ten-year program for doubling national income. The price rise stems primarily from strong consumer demand and from wage increases. Profit margins are being cut in some industries as a result of wage increases. Ikeda has responded to criticism on this point by contending that for several years labor productivity has been rising more rapidly than wages.

The prime minister points out also that Japan's foreign exchange reserves, which have grown to \$2 billion, are sufficient to withstand the small additional trade deficits expected in the next several months. He asserts that government action to counter the price rise and trade imbalance is not needed at this time.

Difficulties of this kind are considered normal in an economic expansion program, especially in its early stages, and are not serious in themselves. However, a recent upsurge in wholesale prices is likely to be followed by new increases on the consumer level which could carry with them important political effects. In July, Ikeda will complete his first year in office and is scheduled to reshuffle the cabinet and major party posts in a bid to consolidate his power. His intraparty rivals and the opposition Socialists almost certainly will exploit any economic discontent at that time in an effort to weaken his leadership or possibly even unseat him.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~Singapore Ruling Party's Prestige Damaged

[The defeat of the People's Action party (PAP) reflects in part the disenchantment of Singapore's economically depressed workers impatient with PAP's failure during its two years in office to effect solutions to the island's economic problems. PAP won 43 of the 51 seats in the Legislative Assembly in May 1959 as a radical socialist and anticolonialist party promising a "new order" for the working masses. Its basically moderate and carefully planned economic policies have not had spectacular results, however, and as much as 10 percent of the Singapore working force remains unemployed. In its preoccupation with creating an attractive climate for private investment in the economic development of the island, the government has attempted to hold the line on wages and create stable labor conditions, and this has led to some popular disillusionment with PAP's image as a militant party of the left.]

[In addition, the party's generally cooperative relations with the British, who retain broad powers over Singapore's foreign relations, defense, and internal security, have exposed it to charges leveled by Ong during his campaign that the party has become a stooge of the British. One of the immediate effects of the election may be diminished rapport between the PAP and the British as the party seeks to refurbish its anticolonial reputation.]

[PAP remains the best organized and most widely supported party in Singapore, however, and its defeat by Ong is primarily the result of a political miscalculation rather than an indication of a dramatic shift in the political climate. The PAP leadership forced a showdown with Ong in his home constituency, a congested area of low-income and semiliterate workers where Ong, who has a flair for demagoguery, was widely conceded to be almost unbeatable.]

[Since its formation in 1954, the PAP has been ideologically split between the moderates, who control the party's formal organs, and a pro-Communist group which controls the militant]

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

labor organs and the student groups which form a key part of the party's mass base. The dimensions of Ong's victory--75 percent of the vote--suggest that the extremists, despite a display of public support for the PAP candidate, may have rested on their oars in order to embarrass the moderates. If the government resigns, which is a possibility but not constitutionally necessary, the extremists may well be in a position to demand increased influence in the party in return for their support in new elections.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

[REDACTED]

Somali Republic Turns to UAR for Arms Aid

[While moderate leaders in the Somali Government have frequently expressed a preference for Western military assistance, they feel compelled--for national prestige reasons as well as for internal security needs--to accept such aid from non-Western sources. To date, Western assistance in this field is limited largely to one shipment from Italy of small arms--3,000 Enfield rifles and 120 light machine guns.]

[Tripartite discussions among interested Western powers--Italy, Britain, and the US--have been held periodically in an effort to agree on a division of responsibility in the provision of both economic and military aid to the Somali Republic. The military aspect of these discussions has been particularly difficult and recently hit a snag. Rome initially indicated a willingness to send a military training mission to Mogadiscio and to bear the cost of training 120 Somali officers and specialists annually. Italy maintained that the UK and US should assign military attachés to assist the mission and should share with Italy the cost of arming and equipping the Somali Army. London, however, offered only to provide \$420,000 in arms aid on a one-time basis, contingent on the assigning of the Italian military mission. Rome subsequently withdrew its earlier offer, partially because of London's position but also because Washington is concentrating its aid effort in the economic sphere and limiting its arms support to the Somali police.]

[At the ceremony on 12 April marking the Somali Army's first anniversary, Minister of Defense Mohamed proclaimed the need for a strong army to protect the country from its aggressive Ethiopian neighbor and praised the UAR for providing arms and equipment for this purpose. In addition to a quantity of small arms--probably including 5,000 rifles and ammunition--the UAR has provided five light tanks, approximately 14 armored cars and Bren gun carriers, and at least one propeller-driven training aircraft of the two promised last fall.]

[REDACTED]

~~CONFIDENTIAL~~

~~TOP SECRET~~

Soviet Good-Will Mission Planned for Latin America

The planned mission is part of the bloc's program to expand its influence in the area. It is probably designed to exploit not only what the Soviet Union considers to be a sharp decline in US prestige in Latin America after the recent Cuban developments but also to take advantage of the more favorable attitudes by some regimes toward relations with the bloc.

The success of the bloc's effort is demonstrated in part by the expansion of its diplomatic relations there since Castro came to power in January 1959. Cuba has diplomatic relations with all bloc countries except East Germany; Brazil has established relations with Bulgaria, Rumania, Hungary, and Albania this year; Caracas agreed in 1960 to accept a Polish embassy; and Ecuador re-established relations with Czechoslovakia late last year. Ecuadorean President Velasco told US Ambassador Bernbaum at that time that he had no objection to relations with the USSR but would take no initiative himself to establish them.

The Soviet delegation will probably be received by Uruguay and Argentina, the only countries in South America with resident Soviet missions, and by Brazil, Bolivia, and Ecuador. Chile, which recently received a Polish trade mission, and Venezuela may also grant the delegation visas. Other countries, however, are likely to be more cautious. Haiti, Panama, and Paraguay recently refused to respond to--and Colombia denied--the visa requests of Soviet Ambassador to Mexico Bazykin, who then had to limit his planned tour of the area last month to unofficial visits to Ecuador and Venezuela.

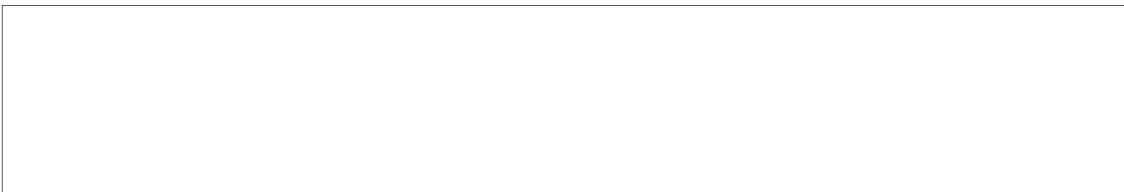
Similar activities in Latin America are also being projected by other bloc countries.

North Vietnam had proposed the visit of a cultural delegation to Brazil, Mexico, and Ecuador. Brazilian President Quadros on 24 April authorized an invitation to visit Brazil for a Chinese Communist trade delegation now in Cuba--an invitation which apparently was solicited by the Chinese. Moreover, a high-level Chilean Foreign

~~TOP SECRET~~

~~TOP SECRET~~

Ministry official recently advised the American Embassy in Santiago that an estimated 30 Soviet bloc representatives plan to attend the meeting of the UN's Economic Commission for Latin America scheduled for Santiago in early May. This is a larger number than the bloc has sent to such meetings in the past.

~~TOP SECRET~~

~~SECRET~~Britain - West Indies

[Jamaica's Premier Manley has been engaging in political maneuvering designed to ensure that his specifications for a weak, decentralized federation will be adopted by the conference. Until recently the trend had been running in favor of compromises to retain Jamaican participation. Trinidad's Premier Williams had backed down as leader of the forces advocating a strong federation. The principle that federal powers would be severely limited, at least initially, had been accepted at the committee level, and the island ministers had further agreed that Jamaica's share of the legislative seats would be upped from 38 to 48 percent to correspond more closely to the island's 53-percent share of the federation's population.]

[The smaller islands, backed by Federal Prime Minister Adams from Barbados, are becoming resentful of the increasing tendency of Manley and Williams together to dominate federal affairs and have complained bitterly that the current proposals for the conference provide for a federation too weak to be effective.]

[Secessionist sentiment is growing in Jamaica. This was originally based on economic grounds--Jamaica provides about 53 percent of the federation's gross domestic product--and is now reinforced by artificially fostered racial animosities. If Manley, who had been expected to replace the ineffectual Adams as prime minister, fails to obtain the concessions he seeks, he may urge Jamaicans to vote against continued participation in the referendum he plans to hold on the question in September. Premier Williams has said he is unwilling to remain in the federation without Jamaica and claims he turned down a suggestion by Prime Minister Macmillan to head the federation if Manley withdraws.]

[Critical powers which Jamaica seeks to retain--income tax and industrial development incentives--are recognized in the current proposals as subjects of ultimate federal control but are]

~~SECRET~~

~~SECRET~~

left to island control for the present. Various proposals for financing the federal budget through customs excises and consumption duties are to be debated. Trinidad's unwillingness to have its high per capita income downgraded by a flood of immigrants has forced a proposal to restrict freedom of movement between constituent territories. With an eye to Communist-led British Guiana, Jamaica also wants the power to veto accession of new members.

~~SECRET~~

~~CONFIDENTIAL~~

THE PRESIDENT

The Vice President

Executive Offices of the White House

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Director, Office of Civil and Defense Mobilization

The Director, National Aeronautics and Space Administration

Chairman, Board of Consultants on Foreign Intelligence Activities

The Department of State

The Secretary of State

The Under Secretary of State

The Director, International Cooperation Administration

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant to Secretary of Defense (Special Operations)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

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

The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~