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22 May 1961

Copy No. *EJ172*

# CENTRAL INTELLIGENCE BULLETIN



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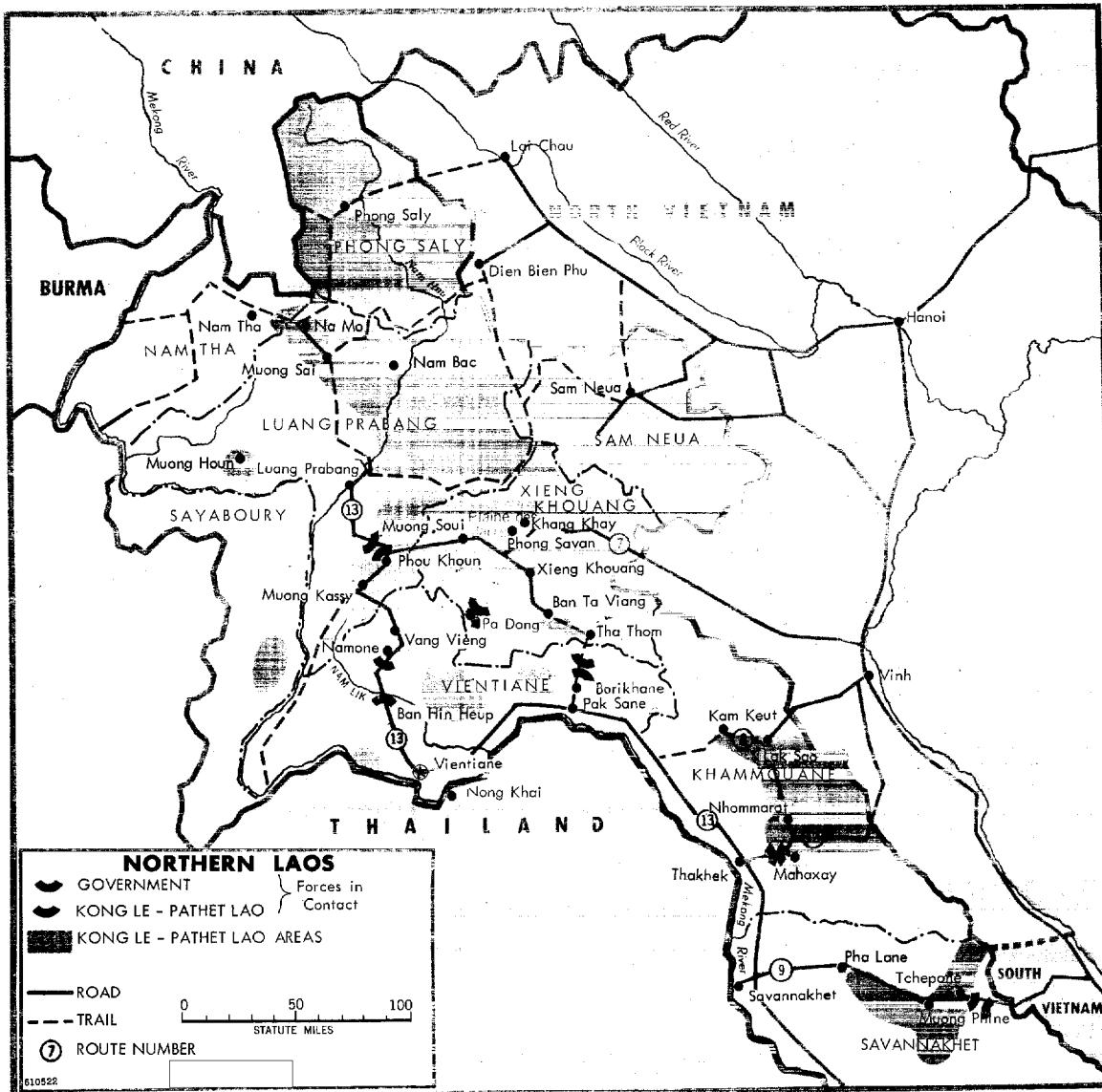
22 May 1961

## CENTRAL INTELLIGENCE BULLETIN

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## CENTRAL INTELLIGENCE BULLETIN

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## DAILY BRIEF

*Serial*

Laos: Attacks against pro-government Meo partisans in [redacted] the Pa Dong area continued on 20 May. Although pressure slackened on 21 May, [redacted] additional attacks against the Meos there were contemplated.

Bloc airlift operations into Laos were scheduled through 22 May.

No significant political developments were reported over the week end. [redacted] (Backup, Page 1) (Map)

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South Korea: The new South Korean cabinet, which was installed in a public ceremony on 21 May, gives little evidence of special competence to handle the economic problems at the root of popular unrest. The American Embassy reports that the public has maintained its passivity toward the revolutionary government, watching in silence demonstrations staged on 19 May in support of the coup. Newspaper editors, under pressure to follow the government line, are privately expressing skepticism that the new government can achieve necessary social and economic reforms. Disillusionment may increase as press censorship, restrictions imposed on citizens by martial law, and arrests of leftists and former government officials continue.

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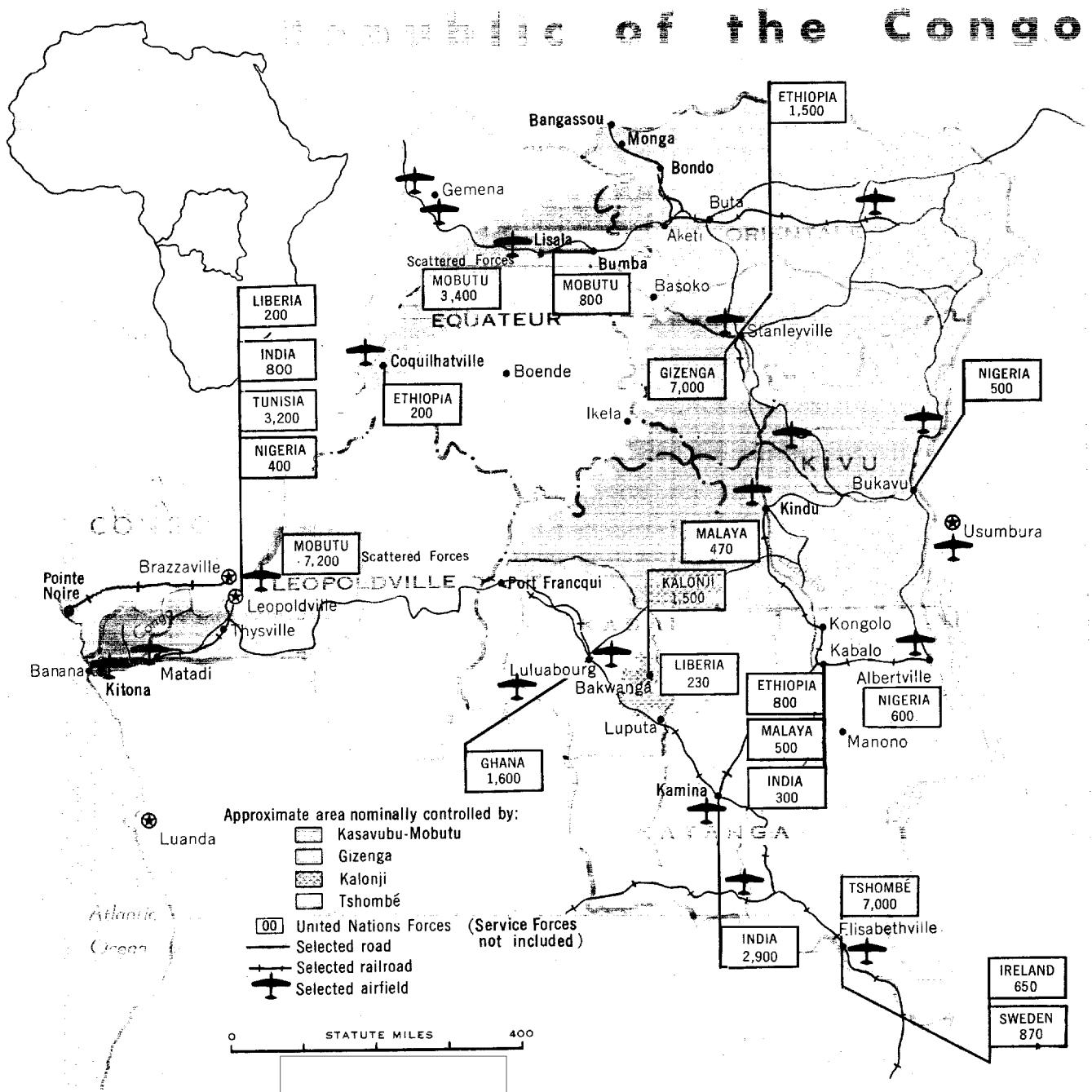
[redacted] government concern that "no social unrest or criticism" be caused by "indiscriminate confinements of persons against whom no case can be built." [redacted] (Backup, Page 3)

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DAILY BRIEF

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CENTRAL INTELLIGENCE BULLETIN

Map Page

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Congo: The impasse between Leopoldville and Stanleyville over the reopening of the Congolese parliament continues. Both Nasir and Nkrumah, [redacted] have urged Gizenga not to attend a meeting in Leopoldville for reasons of personal safety. Ambassador Timberlake believes that Gizenga would clearly be taking a risk in coming to Leopoldville.

The new UAR ambassador arrived in Stanleyville on 16 May and met with Gizenga the next day, [redacted]

[redacted] Guinea has also reportedly designated an ambassador to Stanleyville, but there is no indication when or how he will arrive. [redacted] (Backup, Page 6) (Map)

USSR: A modest but significant change of Soviet economic policy in favor of the consumer seems implicit in Khrushchev's 20 May remarks to exhibitors at the British Fair in Moscow. He said, "We consider our heavy industry as built. So we are not going to give it priority. Light industry and heavy industry will develop at the same pace." Economic policy after World War II has consistently provided the consumer with an annual increase in the quantity of manufactured goods, but this increase has not kept pace with the over-all annual growth in the output of all industry; thus consumer-oriented production has declined as a share of total industrial output. Khrushchev's comments imply that this decline will be slowed or halted. Because the light industrial base is small compared to that of heavy industry, such a change will not require a large diversion of resources away from heavy industry [redacted] (Page 8)

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**\*Afghanistan-Pakistan:** Afghan troops disguised as Pushtoon tribesmen apparently crossed the Pakistani border into the Pushtoon tribal territory of Bajaur on 20 May and attacked Pakistani garrisons there. The attacks evidently were part of Kabul's continuing efforts to incite rebellion among Pushtoon tribes living in Pakistan. The Pakistani minister for states and frontier regions stated yesterday that the Afghan attacks were preceded by heavy mortar and machine-gun fire, and that a captured Afghan soldier had admitted about 1,000 Afghans took part. If, as the Pakistani minister claims, the attacks were repulsed with heavy losses to the Afghans, Kabul may decide to send additional, stronger forces across the border rather than suffer new losses of prestige among the Pushtoon tribesmen living on both sides of the Afghan-Pakistani frontier. Pakistan, which in the past has generally played down the frequent small-scale armed clashes in the Pushtoon tribal areas, may use the latest attacks as grounds for strong counteraction.

(Backup, Page 9) (Map)

**Iraq:** [An uneasy atmosphere prevails in Baghdad as disillusionment with the Qasim regime continues to spread throughout Iraq. On 19 May Baghdad police broke up a small demonstration attempted by trade unionists shouting anti-Qasim slogans. Prime Minister Qasim attended a public function in a Baghdad suburb the same day, and the military and police guard in the area was the heaviest noted in many months. Several different Iraqi groups--the Moslem Brotherhood, the Iraqi Baathists, a group of army and air force officers, and an organization of prominent Iraqi exiles--are all reported to be engaged in separate plotting to assassinate or overthrow him. Such conspiracies would be more likely to succeed, however, if they had substantial army support, which at present seems to be lacking.]

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**Western Europe:** [Belgian Foreign Minister Spaak, who played a leading role in the negotiation of the Common Market (EEC) treaty in 1955 and 1956, expressed to Ambassador MacArthur on 16 May reservations regarding Britain's accession to the EEC. Spaak doubted London would actually accept the "principles" of the EEC and declared it would be a "disaster" if the]

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[price paid for British adherence were the "death of European political integration." Spaak said he had recently told the French ambassador that Belgium was prepared to make concessions to get De Gaulle's confederation plan under way, since he thought political ties among the six EEC countries should be strengthened before London asked to be admitted. London seems increasingly disposed to seek EEC membership despite the continued ambiguity of official statements, and a decision to do so is probably imminent.]  
(Backup, Page 10)

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## DAILY BRIEF

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~~SECRET~~Situation in Laos

[redacted] in Xieng Khouang Province, the USSR, North Vietnam, and Czechoslovakia have opened consulates there, with the Chinese Communists also expected to open one shortly. [redacted] the Soviet Consulate is located at Phong Savan, while the Czech and North Vietnamese consulates are located at Khang Kay, reportedly the joint headquarters for Souvanna Phouma and his half-brother, Pathet Lao leader Souphanouvong. [redacted] relations between the Pathet Lao and Kong Le as not always good but believes the Pathet Lao control Kong Le.]

[redacted] There have been recent rumors in Vientiane that Lt. Col. Sihou, the Laotian intelligence chief, is becoming disaffected and might attempt a coup. Sihou, as one of the few commanders under Phoumi who has shown any stomach for fighting, has risen rapidly in power and influence in recent months. Phoumi, following his reoccupation of Vientiane last December, named Sihou his watchdog against another surprise coup along the lines of Kong Le's successful venture last August.]

[redacted] India seems primarily concerned that Communist China will dominate any future Laotian government. Indian Defense Minister Krishna Menon, on his return from Geneva to India on]

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[20 May, and Prime Minister Nehru have both reiterated earlier criticism of SEATO for not increasing the stability of the area but only provoking Communist China. In Geneva, Indian delegation members reportedly feel they must somehow prevent the Chinese Communists from securing a position which will facilitate the subversion of Laotian neutrality. They believe that the West will be unable to maintain its influence in Laos, and, considering the growth of Communist influence inevitable, they would prefer Soviet influence rather than Chinese. They reportedly are disappointed that the USSR has not given stronger support to Souvanna Phouma and that the Soviet delegation supported demands for equal status for the Pathet Lao, who New Delhi believes are oriented toward Peiping.]

Menon emphasized to newsmen that the reactivated International Control Commission (ICC) must not be asked to withdraw from Laos by any future government except with the consent of all parties concerned, presumably including India.

Peiping characterizes Secretary Rusk's departure from Geneva as indicating a US desire to avoid serious discussion of matters of substance on the Laotian problem. Both Peiping and Hanoi have denounced US proposals for international machinery for supervising Laotian neutrality as designed for arbitrary interference in Laotian internal affairs.

Available flight schedules indicate a reduced level of overall air activity on 21 May. Six Soviet IL-14s and two LI-2s were to fly into Laos. On 20 May, airlift activity included at least seven and probably more IL-14s flying the Hanoi - Vinh - Dong Hoi route. The Soviet AN-12 which arrived at Haiphong from the USSR on 15 May left Haiphong on 20 May, probably on a return flight to the USSR.

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~~SECRET~~Situation in South Korea

The embassy believes that the known Communist affiliation of coup leader Maj. Gen. Pak Chong-hui before the Korean war and the obscure backgrounds of other new leaders may tempt opponents of the new government to charge that the coup was Communist inspired. He is apparently sensitive about his past Communist affiliation and may lean over backward to vindicate himself by publicly taking a strong anti-Communist position. However, former army chief of staff Lt. Gen. Choi Yong-nok, who has opposed the coup, implied in a conversation with the US army attaché that Pak's anti-Communism might be a pose and said it would become apparent within three months that the coup was Communist inspired.

[Pak was admittedly a Communist in 1948 and is reported to have turned state's evidence to reveal other Communists in the army. He was court-martialed, but his sentence was suspended. When the Korean war began in 1950, he was recalled to active duty. His war record was excellent, but the South Korean Army Counter Intelligence Corps continued to be suspicious of him. Both American and South Korean officials have observed that Pak appears "obsessively concerned" with corruption and have even suggested that Pak's motive in directing the coup is self-vindication.]

The revolutionary government has suspended civil rights and on 20 May arrested a number of prominent military officers, cabinet officers, and other officials of the deposed Chang Myon government. Former Premier Chang himself remains under surveillance in his home.

[the Home Ministry order police bureau chiefs to ferret out leftist students who "are plotting to flee to the coast or the area of the truce line and seize a chance to go to Japan or cross north."]

However, the revolutionary leaders have ordered police to exercise "special caution in the confinement of students" and to take "particular pains to ensure that the students do not strike back." [The students, largely responsible for overthrowing the Rhee government a year ago, have

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generally remained quiet since the coup, although the American Embassy reports that 400 "unenthusiastic" students did appear in a pro-government demonstration on 19 May.

The coup government is rapidly establishing direct control over the press by threatening arrest and shutdown, in addition to continuing the heavy censorship imposed immediately after the coup. Leading newspapers moved by 19 May from their initial reaction that coup leaders would quickly return the government to civilian control to a position justifying the coup as the exercise of the people's "natural right of revolution." The press is also distorting the reaction of US government leaders to the coup as welcoming the resignation of the "weak" Chang government and the "smooth success of the military revolution."

Banks and trading companies still appear hesitant to resume normal operations. Retail business is generally limited to daily necessities. Relaxations from the total freeze instituted on 16 May are being made by the coup government on a case-by-case basis.

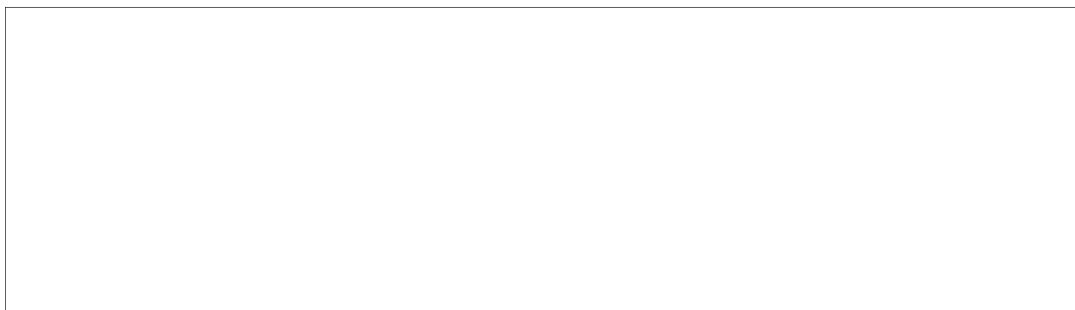
Lt. Gen. Chang To-yong remains head of the Supreme Council for National Reconstruction (SCNR)--the new name of the Military Revolutionary Committee which staged the coup--as well as being prime minister and defense minister. Pak Chong-hui, its deputy chairman, holds no position in the new cabinet set up by the SCNR. The cabinet is comprised of 13 general and field-grade officers, mostly in their thirties, and of one retired lieutenant general, Foreign Minister Kim Hong-Il, former ambassador to Nationalist China.

North Korea, still charging that the coup was engineered by the US, is staging mass rallies to voice its opposition. Speaking at a rally on 20 May, Vice Premier Kim Il called on the entire South Korean population to smash the coup; the Pyongyang regime earlier had urged all South Korean military personnel to resist the coup leaders. Pyongyang is using the disturbed situation in South Korea to renew its contention that the only solution

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to the South's problems is unification, saying that only on the basis of the "self-sufficient" economy of the North can South Korea's economic ills be remedied.

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~~TOP SECRET~~Situation in the Congo

[Indian Chargeé Rahman in Leopoldville, who has recently engaged in anti-Kasavubu activity, stated in mid-May that he did not think Gizenga had enough votes in parliament to become premier. He said he felt that if Gizenga insisted on trying for this post, he would merely weaken the "nationalist" position and pave the way for a dictatorship by some member of the present Leopoldville government. He added that Gizenga should be prepared to lead the opposition or accept a minor ministerial post if necessary. Ambassador Timberlake, however, believes that Gizenga, by threats and bribes, might win out in a parliamentary session. Cleophas Kamitatu, governor of Leopoldville Province who is generally sympathetic to Gizenga, reportedly feels that Gizenga must not refuse to attend parliament if it opens.]

Nkrumah counseled Gizenga to insist on reconvening parliament in Stanleyville, and Nasir on 17 May strongly urged him not to go to Leopoldville, "as I believe there is a plot to kidnap or arrest you, just as happened with Tshombé." Nasir went on to say that he did not think Gizenga should leave Stanleyville at the present time "in any circumstances." Nasir made no reference in the message to Gizenga's proposal to reconvene parliament in Kamina.

The UAR ambassador is the third diplomatic official actually to arrive in Stanleyville--Mali has an ambassador there, Yugoslavia a chargé. The UAR ambassador reported to Cairo that Gizenga had told him Nasir was "the greatest of African leaders in understanding of the Congo problem, and one of the greatest in supporting the legal government."

The sudden departure on 20 May of Mekki Abbas, top UN official in the Congo during Dayal's absence in New York, will be regretted by the Leopoldville government, with whom Abbas

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[redacted]  
had worked harmoniously. [Leopoldville will be particularly concerned because Hammarskjold reportedly sent a letter to Kasavubu on 19 May announcing that Dayal, who left Leopoldville on 10 March, will return to the Congo. Hammarskjold said that he would not make this letter public until he had received Kasavubu's reply.] [redacted]

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~~CONFIDENTIAL~~Soviet Consumer Goods Production May Increase

Khrushchev's remarks made clear that the change in economic policy benefiting the Soviet consumer would be limited to the relationship between the annual growth rates planned for "Group A" (which designates the means of production in Soviet jargon) and for "Group B" (consumer goods). The 1961 plan called for a 9.5-percent increase for Group A and a 6.9-percent increase for Group B. The subordinate position relegated to consumer goods is shown by the fact that investment allocations for Group B account for something more than one tenth but less than two tenths of total investment in industry.

The regime announced last December that it considered the overfulfillment of plans by heavy industry warranted some reallocation of resources toward fulfilling "public demand." The continuing critical commentary on the failure to achieve planned agricultural output goals and Khrushchev's earlier remarks on these subjects suggest that the reduction in the disparity between the growth rates for heavy industry and consumer goods may be made, at least in part, by a transfer of resources from heavy industry--slightly slowing its growth rate--to agriculture rather than to light industry.

Modest policy changes in favor of the consumer have been common during Khrushchev's regime; they are intended to provide, in lieu of coercion, the material incentives deemed necessary for a growth in labor productivity, to improve the foreign image of the Soviet citizen's lot, and to influence favorably the attitude of the populace toward the regime. [redacted]

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### The Afghan-Pakistani Border

The Afghan-Pakistani border dispute has been marked by sporadic clashes and almost continuous propaganda warfare since the partition of India in 1947. Kabul has consistently demanded that the Pushtoon tribes living on the Pakistani side of the border be given the right of self-determination. The Pakistani government has just as consistently rejected these demands as interference in its internal affairs. The most recent significant clash prior to this past week occurred last September, when a force of Afghan irregulars was driven from the Bajaur area with heavy losses. Since then Kabul has been trying to regain some of its lost prestige among the tribes by giving increasing support to dissident tribal elements in Pakistan.

Although Kabul claims that the 20 May attack was launched by Pushtoons living in Pakistan--and that the Pakistanis suffered heavy losses--the latest action seems to indicate that Afghanistan has now begun to use regular Afghan troops disguised as tribesmen in Pakistani tribal territory. Evidence was previously reported of Afghan plans to use of some of its regular units especially equipped for guerrilla operations in Pakistan.

[redacted] old British-made weapons rather than the new Soviet-supplied weapons were being distributed to units along the border opposite Bajaur. The Afghan army uniform factory in Kabul had already manufactured 10,000 sets of tribal-type clothing, apparently for use by Afghan soldiers disguised as tribal irregulars.

[redacted] This latest clash may lead to new criticism of the United States by both Afghanistan and Pakistan. Pakistani President Ayub has complained that American inquiries about the use of US-supplied arms in the tribal area made the Afghans "bolder." The Afghans, on the other hand, have frequently complained that US military assistance to Pakistan is used to "suppress the freedom-loving Pushtoon tribesmen."

[redacted]

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Spaak Has Reservations Regarding Britain's Membership  
In the Common Market

[In his wide-ranging review of what he called the "problem of Europe," Spaak made it clear he felt the economic and political unification of Europe would be achieved only if the present momentum is maintained. European integration could be stalled or frustrated, he believes, either from "without" if Britain's adherence should involve the sacrifice of the "principles and institutions" of the EEC treaty, or from "within" if De Gaulle and France should become "totally recalcitrant and uncooperative." Given the difficulties Britain may have in accepting the EEC as it stands, Spaak feels it necessary that further steps be taken to strengthen ties among the EEC members. He believes that continued progress by the EEC would encourage London to join in its own self-interest.]

[To strengthen the EEC politically, Spaak is willing to proceed from De Gaulle's confederation plan. This plan is currently stalled, in large part by Dutch opposition to consideration of NATO problems by the confederation, and a 19 May meeting to discuss the plan was postponed until July. At his meeting with the French ambassador, however, Spaak said he would not support the Dutch view and would even make other concessions if De Gaulle in turn would agree to certain steps to strengthen EEC institutions. In explaining to MacArthur this position, Spaak admitted he is "not encouraged" by De Gaulle's views either on Europe or NATO, but feels it must be recognized that De Gaulle now is the dominant figure in Europe and should be "utilized rather than frustrated." Spaak doubts France can in the long run dominate Europe and believes the other five EEC countries might be able to "force" De Gaulle to be more forthcoming in NATO discussions.]

[Since Spaak's prestige in European and NATO affairs is considerable, his position suggests that the Common Market will be extremely cautious in considering British entry. There have been a number of indications that British opinion is rapidly evolving in favor of at least a conditioned bid for membership, despite the continued ambiguity of official public statements and repeated reassurances that London will not]

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betray domestic agricultural interests or Britain's obligations to Commonwealth members and to the countries of the European Free Trade Association (EFTA). The American Embassy in London believes that the government statement to the House of Commons on 17 May--which strongly emphasized the advantages of a close British link to the EEC--is part of an educational campaign to enlist public support for negotiations to that end.]

[redacted]

[redacted]

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Executive Offices of the White House

Special Counsel to the President

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

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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

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The Secretary of Defense

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The Secretary of the Navy

The Secretary of the Air Force

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The Assistant to Secretary of Defense (Special Operations)

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

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The Attorney General

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## The Atomic Energy Commission

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## The National Security Agency

The Director

## The United States Information Agency

The Director

## The National Indications Center

The Director

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