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3 May 1961

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CENTRAL

INTELLIGENCE

BULLETIN



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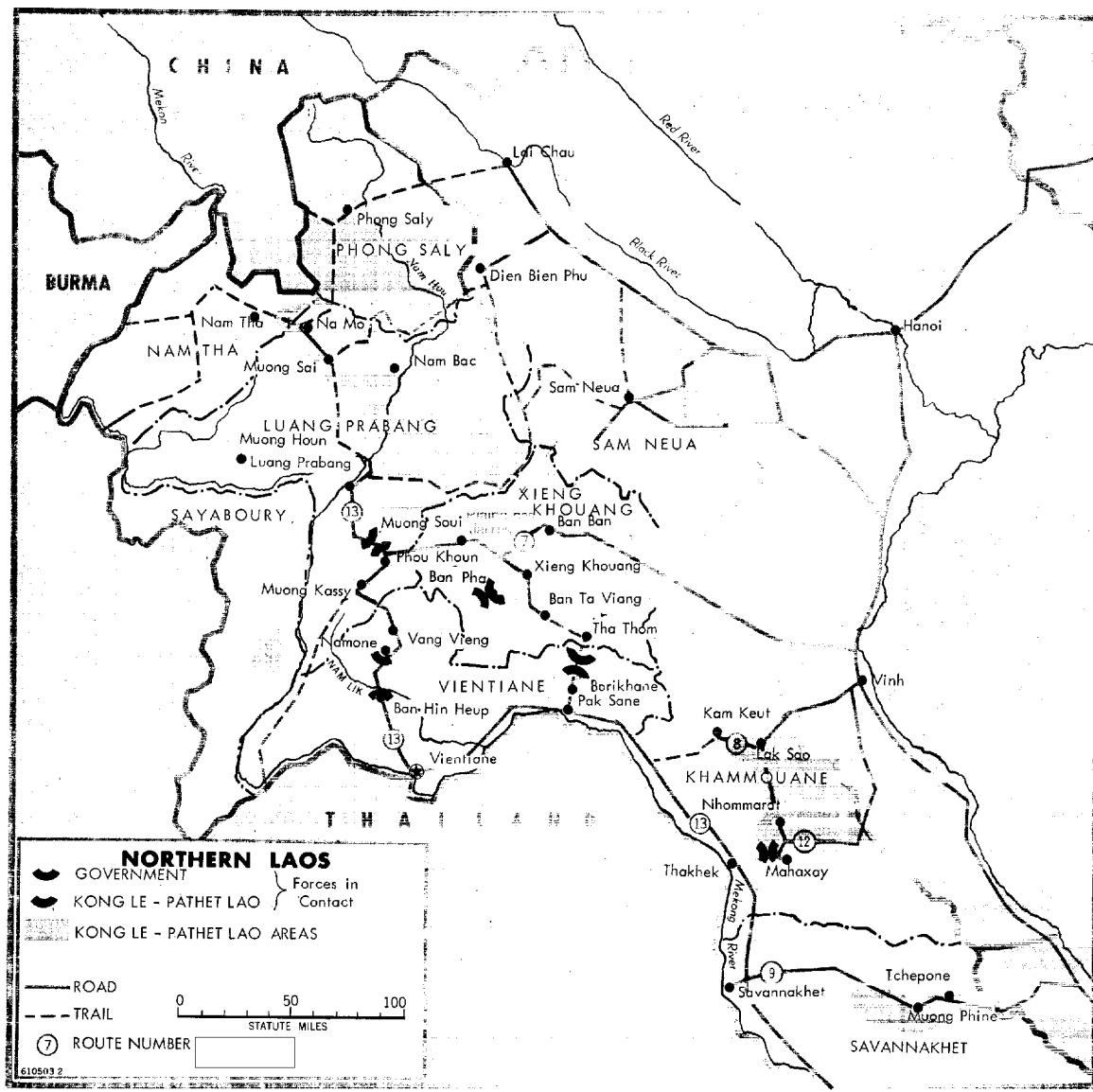
3 May 1961

CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

***Laos:** [The Pathet Lao high command broadcast an order on 3 May calling on all its combat units to cease all military activities as of 0800 local time (2100 EDT 2 May). According to the order, the cease-fire was to take effect in spite of the postponement of negotiations among the parties concerned. The Pathet Lao had previously insisted that agreement on the conditions for a cease-fire be reached before a truce could be brought about.]

[While a localized truce had been in effect in the Nam Lik River area, the Kong Le and Pathet Lao forces had continued moves to acquire more territory elsewhere. Tchepone, near the Vietnam border east of Savannakhet, was reported to have been captured on the evening of 1 May. Fifty miles west-northwest of Luang Prabang, the government garrison at Muong Houn was reported encircled by Pathet Lao forces, while to the north, enemy elements continued to advance on Nam Tha.]

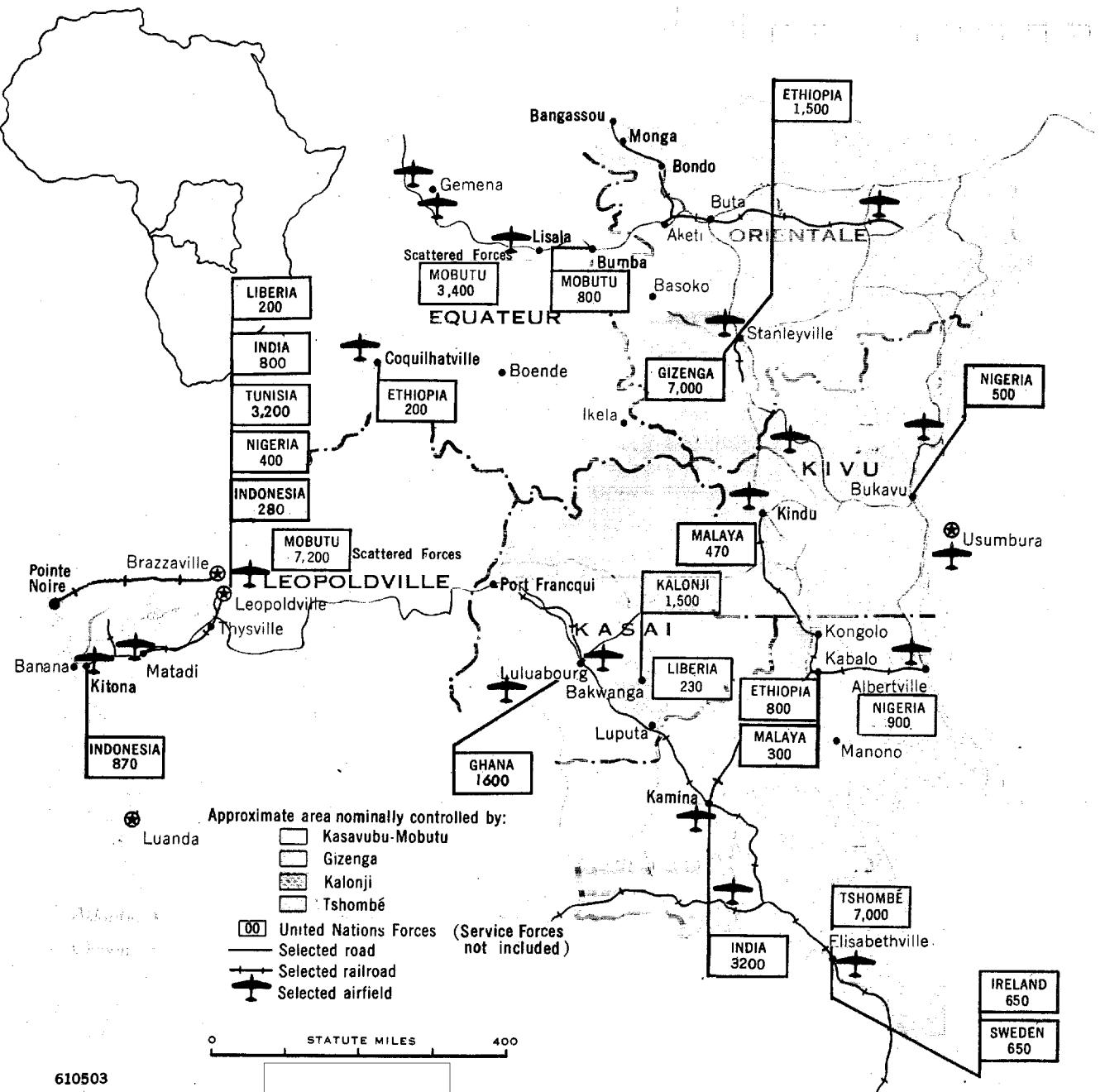
[Laotian officials deny that King Savang has changed his attitude on the need for an international conference on Laos, and it now appears that Sihanouk's remarks to this effect may have resulted from a misunderstanding.]

[Bloc airlift operations continue at a relatively low level. There was only one flight into Laos on 1 May.]

(Backup, Page 1) (Map)

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Congo: The 2 May announcement by the Katanga government that it is willing to discuss with the UN a disarming of the Katanga army and the withdrawal of its foreign advisers reflects the anti-Belgian disposition of certain of Tshombé's lieutenants. The withdrawal of foreign advisers would move Katanga closer to both the UN and the Leopoldville government, and improve prospects for Congo unity. It is not clear whether Tshombé's release is a precondition for such discussions.

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An American embassy officer who has returned from Stanleyville has characterized the Gizenga regime as more stable than in the past. He added, however, that the economy continues to decline despite increased trade through Uganda.

(Backup, Page 3) (Map)

East - West Germany: With the lifting on 1 May, after strong West German prodding, of certain tolls on barge traffic to Berlin, East Germany now has fulfilled most of the commitments on access to Berlin which it made last December in return for the West German agreement to reactivate the 1961 interzonal trade pact. East Germany has not, however, rescinded its claim to the right of control over West German traffic to Berlin and continues to enforce, albeit laxly, the requirement that West Germans secure passes to visit East Berlin. Although traffic between Berlin and West Germany now is moving with a minimum of interference, the regime could renew its harassing tactics on signal from Moscow.

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(Backup, Page 4)

Iran: Lt. General Timur Bakhtiar, recently removed as chief of the Iranian National Intelligence and Security Organization (SAVAK), is continuing his "contingency" planning for a

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move to oust the Shah. He is vacillating on the timing but has implied that an opportunity will arise when the Shah goes to Europe in mid-May. Bakhtiar professes to believe it is hopeless to expect the Shah to adopt and implement a more progressive program; he claims the Shah has no genuine feeling of responsibility toward the country. Bakhtiar feels that recent changes in military officials have improved his position and his capability for planning. The main sources of his support, however, are not clear. Last week the Shah requested Bakhtiar to resign from the army. This suggests the Shah may be aware of Bakhtiar's plans. As of 2 May, however, Bakhtiar had not resigned. [redacted] (Backup, Page 6)

Morocco: King Hassan II is expected to announce on 7 May a reorganization of the Moroccan cabinet which will substantially strengthen the position of the conservative Istiqlal party. Istiqlal came out firmly in support of the monarchy on the death of Mohamed V on 26 February, but recently has agitated for a transitional government with clearly defined powers to serve until a constitution can be promulgated. Istiqlal has been at odds with the other royal political bulwark, the Popular Movement, which has used public office primarily to strengthen its party organization and apparently will lose substantially in the reshuffle. The opposition left-wing National Union of Popular Forces will remain without representation, and, encouraged by its successful demonstration on May Day, will probably continue to demand a radical reform of Moroccan institutions and the election of a constituent assembly. [redacted] (Backup, Page 7) O K

Dominican Republic: A group of high-ranking Dominican army officers and civilians planning to depose Generalissimo Rafael Trujillo within the next several days is showing an unprecedented degree of determination. US Consul General Dearborn reported on 1 May that pro-US dissidents are selecting [redacted] No

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[a provisional government to be led by a seven-man civil-military junta, five of whom are to be civilians. If it gains control, the junta is expected to ask for cooperation from the OAS and the US. Cooperation is particularly desired in preventing the return of undesirable exiles, many of whom are pro-Castro and Communist sympathizers.]

(Backup, Page 8)

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DAILY BRIEF

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~~SECRET~~Situation in Laos

Nehru told the press on 2 May that he expected a cease-fire within a few days and suggested that it might help if the ICC went to Laos. The commission is awaiting instructions in Delhi from the UK and the USSR, as Geneva Conference co-chairmen, after filing its initial report on 1 May.

[New Delhi's policy at the forthcoming Geneva Conference would be aimed chiefly at keeping Laos unified and non-Communist, objectives which he noted were shared by India and the Western powers. Sen conceded, however, that a major difference lay in the interpretation of "Communist" as applied to the Pathet Lao - Kong Le forces. Indian officials are concerned that a cease-fire line will be used as a basis for determining the relative strengths of the two sides in a provisional government, thus giving the "northern side"--controlling two thirds of the country--disproportionate weight in domestic politics during the extended period of propaganda debate at Geneva.]

While the Polish member of the ICC has been agreeable in preliminary discussions, according to the Indian chairman, he has made it clear in statements to the press that the ICC should not go to Laos to arrange and bring about a cease-fire. The ICC report of 28 April to the Geneva co-chairmen stipulated that the ICC should await the proclamation of an agreed date for announcing the cease-fire in Laos before proceeding to the country. The ICC also stated in its report that it would establish cooperative relations with any such "joint committees as may be set up for effective implementation of the cease-fire."

[The fall of Tchepone would be regarded as a particularly serious development by South Vietnamese leaders who have watched the southward advance of Communist forces in Laos with anxiety. President Diem has long been concerned over the Communist guerrillas in southern Laos, but he has not felt South Vietnam's security directly threatened as long as these elements remained dispersed and poorly armed. According to an unconfirmed report, however, Diem was planning]

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[to call a special cabinet meeting on 2 May to ask for emergency powers and to decide on the degree of military assistance to southern Laos.]

[General Phoumi continues to make contingency plans for the evacuation of Vientiane. He has notified Thai officials that it may become necessary to move the government and some of the civilian population across the Mekong to Thailand. Phoumi would prefer to relocate in Savannakhet, but he is not certain of being able to hold that town]

[In his present mood, Phoumi may call for SEATO intervention at any time, possibly without prior consultation with the US. He has made a unilateral appeal to Thailand to furnish a regimental combat team for the defense of Vientiane, and he may also be considering asking South Vietnam to help defend the southern provinces] [redacted]

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~~TOP SECRET~~The Situation in the Congo

Gizenga's reference to his "collaboration" with General Lundula suggests that he has reached some form of accommodation with his army chief. Lundula has been associated with a conciliatory outlook toward the Leopoldville government and with willingness to make compromises in the interest of Congo unity. Some of his subordinates are believed to have acknowledged Mobutu as head of the entire Congo Army, while urging that certain of Gizenga's demands--such as a recall of parliament--be met by Kasavubu.

Lundula told a visiting officer of the American Embassy in Leopoldville that any true rapprochement between Stanleyville and Leopoldville depends on the achieving of Congo unity through a reconvening of parliament. Lundula's remarks, together with the Congo Army's detention of Tshombé at Coquihatlville, suggest that opposition to a loose Congo confederation is a unifying factor between the two main army factions.

[redacted] the Stanleyville government continues concerned regarding possible attack from the north.

[redacted] Reports that UN representative Dayal may not return to the Congo may stem from vigorous protests registered by [redacted] no agreement between the Leopoldville government and the UN--including that regarding Matadi--would be honored if Dayal returned. Kasavubu in late April reportedly planned to decline all responsibility for the "consequences" of Dayal's return.

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East Germany Completes Most of Steps to Facilitate
Interzonal Trade

On 24 April 1958 the East Germans imposed an additional tax of about 70 cents a ton, based on carrying capacity, on West German and West Berlin barges using East German waterways. They explained that West Germany's construction of a dam on the Elbe River near Hamburg would necessitate extensive work on adjacent East German waterways to regulate the water level. The East German decision to abolish these additional tolls on 1 May was announced on 20 April, thus, in effect, meeting a West German deadline; Bonn had threatened to take retaliatory measures unless East Germany moved to reduce the tolls by 21 April. The smaller original tax for barges using East German rivers and canals and locks on these waterways will be continued.

In announcing the abolition of this tax, Neues Deutschland alleged on 21 April that the West German Government had pledged that further work on the Elbe River dam would not result in changes in East German waterways. The West Berlin press notes, however, that revenue from the increased barge tolls has amounted to approximately \$17,500,000--considerably in excess of the \$12,500,000 originally asked by the East Germans in 1958 as damages and costs to offset the rise in the Elbe water level after construction of the dam.

One other technical concession remains to be negotiated: that is to determine how much Bonn must pay for badly needed repair work on a bridge on the southern Autobahn near Hof. So far, East Germany's compliance with the terms of its December commitments has been secured only by Bonn's delay in delivering certain products badly needed by the East Germans.

Meanwhile, Neues Deutschland on 24 April attacked West Germany for interfering with interzonal trade, notably because it has issued revocable licenses for certain products exchanged under the trade pact. Such licenses, it alleged, cause "unbearable insecurity" in the execution of East German commercial contracts with West German firms. The editorial also declared

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that West Germany was delaying the implementation of import agreements made when the pact was renewed.

The Neues Deutschland editorial may be an attempt to camouflage East Germany's current difficulties in securing West German goods without paying hard currency. Kurt Leopold, the West German interzonal trade negotiator, noted that East Germany could not export enough products to pay for West German goods purchased under the trade pact, had practically exhausted available "swing" credits, had canceled some contracts, and was importing only priority goods from West Germany. [redacted]

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General Bakhtiar Continues Planning for Possible Coup in Iran

[In the past two years, General Bakhtiar appears to have moved from a theoretical consideration of the measures he would have to take if the Shah were overthrown to an active belief that the Shah must be removed or reduced to a figure-head.]

[Bakhtiar played an influential role in returning the Shah to power in 1953. As military governor of Tehran and later as chief of the National Intelligence and Security Organization (SAVAK), he was a supporter of the Shah. Now, however, he professes to believe that the Shah is prepared to abandon the country whenever serious difficulties arise.]

[In any move against the Shah, military support would be essential. Bakhtiar feels certain that he can rely on some commanders in the Tehran area and in the provinces, regardless of his own military status. The appointment of weaker personalities to replace some of the high-ranking officers recently removed has, in Bakhtiar's opinion, improved his chances for success. He apparently also can count on support of some nationalist elements as well as influential bazaar merchants.]

[Bakhtiar's reluctance to move probably arises from several factors, including a residual loyalty to the monarchy, if not to the Shah personally, and a fear of risking a career and a fortune built up to a great extent by support of the Shah. However, some of those who are presently backing Bakhtiar could try to force him to take action--perhaps while the Shah is in Europe in the latter part of May--by fomenting anti-government street demonstrations which would require strong action to control] []

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~~SECRET~~Moroccan Government About to Be Reorganized

The long-awaited reshuffle of the King's cabinet, [redacted]

[redacted] apparently would introduce no new personalities to the Moroccan scene, but would continue Hassan's technique of relying heavily on the prestige of his father. Istiqlal would gain primarily by the promotion to deputy premier of Minister of Justice Abdelkhalek Torres, a particularly able member of its executive committee and former ambassador to Cairo. Moreover, the projected nomination of Mohamed Boucetta, also a member of Istiqlal's executive committee, as minister of foreign affairs should consolidate the party's hold over that ministry. Boucetta has been Morocco's senior representative in the Congo and has been influential in developing Morocco's policy supporting the Stanleyville regime. He is reported to have become the most anti-American member of the Moroccan Government. Both Torres and Boucetta were close to Mohamed V.

The proposed cabinet reorganization might alleviate the present stalemate in government operations caused in part by a concentration of such diverse functions as agriculture and interior under the prime ministry. It would not, however, appease widespread discontent caused by the lack of dynamism which has characterized Moroccan governmental operations since independence. Unless the King delegates responsibility, this reorganization would not long satisfy the Istiqlal party, whose national council on 23 April demanded both the formation of a modern responsible government with well-defined powers and the drawing up of a constitution. [redacted]

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Dominican Dissidents Plot to Overthrow Trujillo Regime

[The dissidents, should they succeed in overthrowing Trujillo, plan to approach President Joaquin Balaguer and demand that he sign a proclamation turning the government over to the junta. If Balaguer refuses, they intend to depose him and to install the junta.]

[One dissident army general believes he has the loyalty of 35 percent of the armed forces, while two other generals expect to sway more than half of the army in the important north-central part of the country. The revolutionaries also hope for support in the same region from peasants who recently have been demonstrating their loyalty to the local bishop in the face of great intimidation by the secret police. The dissidents, however, are not known to have any collaborators in the air force, but they believe at least half of the 80 pilots are anti-Trujillo. The loyalty of the air force's mobile ground division--a force roughly comparable in size and firepower to a US World War II regimental combat team--is unknown. This force and two army brigades commanded by members of Trujillo's family are stationed at Ciudad Trujillo.]

[Should the initial attempt to seize or kill Trujillo fail, these units probably would remain loyal to him, while officers deeply implicated in the plot and who are in control of units in outlying towns might decide to risk civil war rather than to face prospects of torture and execution following their arrest. If the dissidents are able to neutralize Trujillo, almost all Dominicans, except for those military men and members of the secret police [redacted] probably would offer no significant resistance to the revolutionaries. The dictator's sons and several other close relatives are reported abroad or planning to leave the country soon.]

[The group which is to capture or kill Trujillo may not have enough arms to ensure success. It believes quick action is necessary before Trujillo learns of their plot--if in fact he has not already done so.]

[Meanwhile, Trujillo is reported to believe that exiles in Venezuela are about to invade the Dominican Republic. On 27]

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April he reportedly ordered four of his generals to tighten security and assigned Felix Bernardino, head of a paramilitary peasant force in the eastern part of the country, to be vigilant along the coasts. Artillery and tanks are said to have been sent to strategic places and aircraft to have been dispersed. A member of the opposition told the US Consulate at Ciudad Trujillo that he had heard the invasion is being postponed until Trujillo relaxes these security measures. However, there is no information tending to confirm that an exile force of any size is preparing to invade the Dominican Republic.]

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