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16 March 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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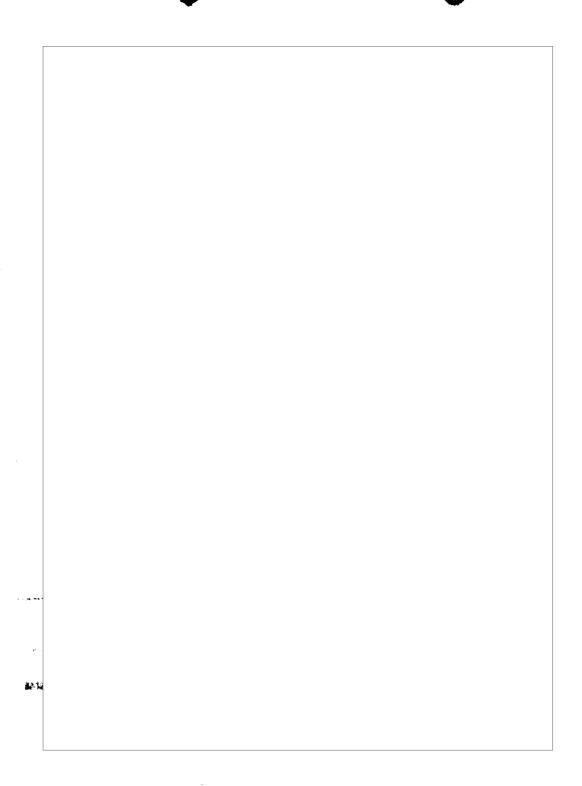
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16 MARCH 1960

I. THE COMMUNIST BLOC

USSR - East Germany -- Soviet spokes-man says reissue of old travel passes a temporary measure pending summit

II. ASIA-AFRICA

Iraqi Army orders alert of intelligence units; no supporting evidence of impending coup, however.

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Thailand irritated with US over what it considers competitive rice sales to Asian countries.

Ceylon--United National party expected to win plurality of seats in 19 March parliamentary elections.

South Korea -- Election rioting reported.

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CENTRAL INTELLIGENCE BULLETIN

16 March 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB USSR: The chief of staff of the Soviet forces in Germany has told the chiefs of the Allied liaison missions in Potsdam that reissue of the old travel passes is a temporary measure pending a solution of over-all problems, at the summit conference, thus indicating that Moscow, although unwilling to force the issue at this time, means to retain it as an element of pressure on the West. Communist news media are portraying the decision on the passes as a concession to the political atmosphere prior to the summit. (Page 1)

II. ASIA-AFRICA

Iraq: military intelligence units of the four divisions outside Baghdad be placed on the highest state of alert. This action may indicate that the authorities have word of an imminent move by antiregime elements. Various reports of plotting continue to be received, but there is no specific, reliable information on a new coup.

Thailand: The foreign minister has expressed his irritation with the US over planned PL-480 rice sales to India. He claims that this comes at a particularly inopportune time, since the Thais are themselves engaged in negotiations with India for the sale of rice. Thai leaders have also recently expressed dissatisfaction with the level of American aid as compared with that received by Cambodia and India and have alleged that military aid deliveries are unnecessarily slow.7 (Page 2)

Older only

Ceylon: The relatively conservative United National party (UNP) is still expected to win a plurality of seats in the parliamentary elections on 19 March. The late Prime Minister Bandaranaike's moderate=socialist Sri Lanka Freedom party, which only recently began to campaign in earnest, is likely to win the second largest number of seats. While the new government will probably be conservative in orientation, stability is thely only if the UNP wins enough seats to gain a majority by admitting several other members to its parliamentary group.

(Page 3)

*South Korea: The American Embassy in Seoul reports that a series of widely scattered incidents of serious violence broke out in South Korea yesterday afternoon, election day, as demonstrators supporting the opposition Democratic Party clashed with police. The most serious clash occurred in Masan, a city west of Pusan. Although the Masan disturbance was brought under control temporarily, it resumed with greater violence in the evening, and the South Korean army chief of staff for operations requested and received UN Command permission to use South Korean troops to restore order. The heavy-handed tactics used by the Rhee administration to obtain a landslide vote have aroused strong resentment throughout the country.

16 Mar 60

DAILY BRIEF

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I. THE COMMUNIST BLOC

USSR Links Pass Reissue to Summit Outcome

The chief of staff of the Soviet forces in Germany has told the Allied mission heads that the passes formerly used by Allied liaison missions in East Germany are being reissued as a temporary measure pending an over-all settlement at the summit conference. This suggests that Moscow intends to retain the issue as an element of pressure on the West.

Soviet propaganda, however, is portraying the decision to withdraw the new travel passes, which referred to the "German Democratic Republic," as a move to maintain a good atmosphere prior to the summit.

Moscow apparently still leaves in effect new restrictions on travel area and crossing points imposed at the time it introduced the disputed documentation. Mission personnel therefore can use only two East German - controlled crossing points on the East - West German border, and are denied travel in an additional 2,000 square miles of East Germany containing many important military installations.

Use of the new passes issued on 29 January could have been construed as Western recognition of the East German regime. The USSR had evidently hoped that the Western powers might accept these passes. The Kremlin now has apparently concluded that the highly publicized dispute is in conflict with Moscow's pre-summit posture, particularly after the Western decision not to stage high-altitude flights to Berlin.



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II. ASIA-AFRICA

Irritants	in	Thai-US	Relations
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The Thai Government's criticism of certain aspects of its relations with the United States is reflected in Foreign Minister Thanat's adverse reaction to Ambassador Johnson's disclosure on 14 March of American plans to sell India 60,-000 tons of rice under the PL-480 program. Thanat commented that such a sale could not come at a worse time from the Thai point of view, inasmuch as Thailand itself is currently trying to close a rice sale to India. The foreign minister then launched into an extended denunciation of the US surplus rice disposal program.

Thai-Indian rice negotiations will probably fall through for other reasons, but Thai officials will find it convenient to blame the failure on the impending American sale. The Thai rice export trade has been stagnating in recent years, and, so long as this condition persists, American surplus rice exports to Asia will increasingly annoy Premier Sarit and other Thai officials?

Thai officials have also expressed irritation with the United States over current American aid levels, both in absolute terms and in comparison with what the Thais consider the disproportionate amount of aid given to neutralist Cambodia and India. Thai defense officials also consider deliveries of military aid unnecessarily slow.

Sarit to date has limited himself to indirect expressions of his dissatisfaction with these aspects of Thai-American relations through the largely controlled Bangkok press, but in the future he may voice his discontent more openly. Ambassador Johnson has expressed concern over the possible consequences of the present Thai mood.



Conservative Party Favored to Win Plurality in Ceylon's National Elections

During the final phase of the campaign for Ceylon's elections on 19 March, the field has narrowed to five main parties and all groups have intensified their activity, particularly the Sri Lanka Freedom party (SLFP), which only recently began to campaign. The relatively conservative United National party (UNP), which ruled from 1947 to 1956, still seems likely to win a plurality of the 151 parliamentary seats at stake. The moderate-socialist SLFP, founded by the late Prime Minister Bandaranaike, is reported likely to win the second largest number of seats, but probably does not pose a serious threat to the UNP. The SLFP's emotional appeal to Bandaranaike's memory, the major spark in its campaign effort, probably is not sufficiently attractive to obscure the party's poor record during its recent term in power.

Two leftist parties, one of which ranked second in the 1956 elections, are likely to place third and fourth, possibly followed by caretaker Prime Minister Dahanayake's moderate party. The Communist party probably will not increase its proportion of seats over the 3 percent it has won in previous elections.

The elections probably will take place without major disorders. The police will patrol the 3,000-odd polling stations throughout the country, and the armed services have been deployed to provincial posts to assist the police if necessary.

While the new government will probably be conservative in orientation, stability is likely only if the UNP wins enough seats to gain a majority by admitting several other members to its parliamentary group.



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