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12 May 1961

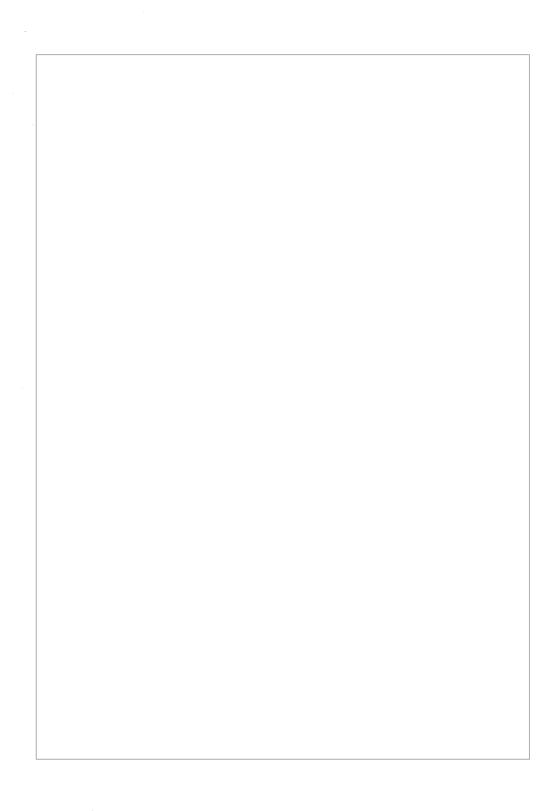
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# CENTRAL

## INTELLIGENCE

## BULLETIN





12 May 1961

## CENTRAL INTELLIGENCE BULLETIN

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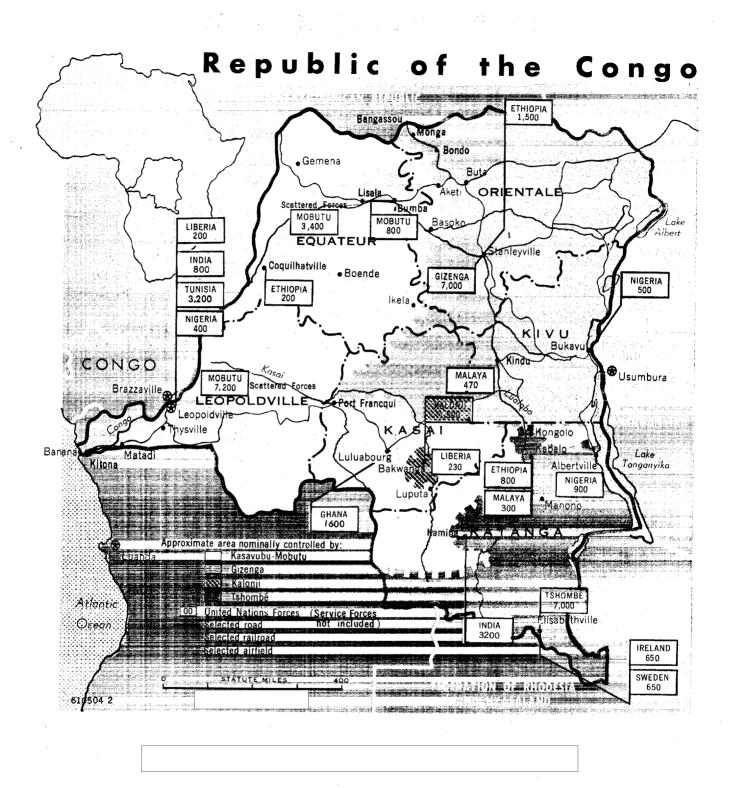
12 May 1961

## DAILY BRIEF

*Laos: The ICC, following a brief visit by the three com-deleted missioners to Xieng Khouang where they had "successful" pre-after dashed liminary talks with Souvanna Phouma and Souphannouvong, has sent a report to the Geneva conference co-chairmen-the USSR what and the UK-but it is uncertain yet whether this amounts to print formal verification of the existence of a cease-fire in Laos. delete IPs Chief delegates representing the Boun Oum government and 3+4 y Brief Souvanna met at Namone on 11 May but failed to agree on a site for holding both political and military talks.  [Except for continued attacks on the Meo base at Pa Dong and scattered guerrilla actions elsewhere, the major opera-delete IPs tional areas remain quiet.]  There is evidence of friction in IPs 56, 700
and scattered guerrilla actions elsewhere, the major opera-
Phong Sary province between the Pathet Lao and troops loyar
to Souvanna Phouma.  Airlift flights are scheduled through 12 May.
(Backup, Page 1) (Map)

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Congo:	
Cairo has appointed an ambassador to the Gizenga re-	
gime. the ambassador is already	
en route to Stanleyville. Although many Communist and Af-	
rican states regard Gizenga's regime as the legal Congo gov-	
ernment, only Mali and Yugoslavia have opened embassies in	
Stanleyville, and only Mali has a resident ambassador. Cairo's	no
action may prompt other pro-Gizenga states to follow suit.	, , ,
continued efforts by the	
Gizenga regime to expand its foreign trade.	
Gizenga al-	
luded again to "large economic and financial problems" facing	
his government,''to contact the German	
financial group which is buying the cotton from us to advance	
us 200 million francs." (Backup,	
Page 4) (Map)	
Iran: Prime Minister Amini, apparently in a move to pre-	
vent officials from leaving the country to avoid charges of cor-	
ruption, has instituted rigorous controls on the issuance of pass	•
ports and exit visas. The government is also reported to be	
planning measures to prevent the transfer to capital abroad.	
There are unconfirmed reports that a number of officials of the	
previous government have been arrested, including former	
Prime Minister Eqbal, former Minister of the Interior Alavi-	
Moqadam, the former intelligence chief for the supreme com-	OK
mander's staff, General Haj Ali Kia, and former Minister of	•
Finance General Ali Akbar Zarqam.	
The government's economic development program, an-	
nounced on 11 May, calls for a new tax program and control	
of inflation, and highlights the need for carrying out land re-	
form, legislation for which has already been enacted but has	
not been enforced. Amini has appointed a competent, pro-	
Western official, Safi Asfia, as deputy prime minister and	
director of the Plan Organization, the body which will admin-	
ister the economic development program.	
	J
Communist Bloc - Cuba: In meeting its extensive eco-	
nomic commitments to the Castro regime, the Sino-Soviet	9
bloc has maintained a high level of shipping to and from Cuba	100
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since late last year. Bloc and bloc-chartered vessels have been in Cuban waters constantly and about 35 are currently en route to Cuba from the bloc. Since the beginning of 1961 at least 180 voyages by Soviet, East European, and Western merchant ships have been made, delivering bloc cargoes to Cuba. Fulfilling the contracts to supply more than 4,000,000 tons of petroleum and to buy 4,000,000 tons of sugar in 1961 will require roughly 300 tanker voyages to Cuba and more than 400 dry-cargo voyages in the other direction.

(Backup, Page 5)

Dominican Republic: The Trujillo regime has launched another of its periodic efforts to convince foreign opinion that it is becoming more democratic. The lower house of the Trujillo-dominated legislature approved a measure on 10 May granting a blanket pardon for opposition elements, at home and in exile. The upper house is likely to endorse the measure. The maneuver is unlikely to trap many Dominican dissidents, who remember that such tactics in the past have been followed by ruthless suppression. It is aimed primarily at reducing the isolation to which the regime has been subjected by the other American republics since last summer when it was unanimously condemned for suppressing human rights at home and for intervening in the affairs of other countries. This followed a Dominican attempt to assassinate the Venezuelan President:

<u>UAR</u>: The planned UAR military mobilization exercise involving units of both the <u>First (Syrian)</u> and <u>Second (Egyptian)</u> Army has begun.

the movement of an Egyptian artillery battalion to Syria beginning that day. supplies including considerable quantities of anti-tank mines, wire obstacles, and bridge equipment had been dispatched from Egypt to arrive in Syria no later than 13 May. Air force participation in the exercise was noted in connection with Egyptian practice radar tracking on the evening of 10 May. The Israelis, who have very good intelligence on UAR military

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developments, have probably already instituted a limited, precautionary alert.

## REPORTS AND ESTIMATES

(Available during the preceding week)

French Nuclear Weapons and Nuclear Delivery Capabilities. U. S. I. B. SNIE 22-61. 9 May 1961.

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Situation in Laos
Pathet
Lao troops were "putting pressure" on several villages in the
province which were occupied by troops loyal to Souvanna.
Colonel Khammouan, who sup-
ports Souvanna,
it was all right for the Pathet Lao to propagandize
for their partythe Neo Lao Hak Sat'but let us not have
any pressure from armed groups."
the Pathet Lao were under orders from their commanders "to
cease all pressure on villages occupied by us,
Should such
friction continue between the two rebel forces, it could have
a significant effect on the degree of cooperation between the
Souvanna Phouma and Pathet Lao delegations at Geneva.

King Savang, opening the National Assembly on 11 May, reaffirmed his support for the present government and dismissed Souvanna's pretensions as "legal" premier. In his address, the King urged Sihanouk to continue his efforts to achieve international recognition of Laotian neutrality. Possibly in quick reaction to this peace offering, Sihanouk announced that he will attend the Geneva Conference after all.

At about 1:00 A. M. on 11 May in Vientiane, Major Eckarath, an aide and confidant of General Phoumi, was shot and killed by unknown assailants. Eckarath, one of the more competent officers in the Lao army, was a relative of the King and Souvanna's nephew. He was director of plans and operations in the Defense Ministry. It is not known whether his assassination was politically inspired.

Phoumi says he will leave on 12 May for Geneva. He believes Souvanna and Souphannouvong will be showing up at Geneva and feels the three might meet there. Phoumi told Ambassador Brown on 11 May that Souvanna had contacted him to suggest a meeting in Phnom Penh, which Phoumi said

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v	ould be agreeable to him.
r	a desire by Boun Oum to meet with Souvanna and Sou- hannouvong, expresses Souvanna's willingness to meet either
	t the Plaine des Jarres or at Phnom Penh.
	The Indian delegation to Geneva appears to be going with attle preparation and no major proposals to advance. Krishna Menon, who departed for Geneva on 11 May to lead the delegation, indicated in conversation with US Embassy officials in New Delhi that the Indians would not raise any provocative uestions. He agreed that the problem of a coalition government-presumably including Souvanna and Pathet Lao representatives—should be worked out by the Laotians without outside therefore. Menon said he planned to be away from the converence much of the time—presumably leaving Commonwealth ecretary Gundevia in charge. While this also suggests that New Delhi does not plan any major move at this time. Menon old the press that Nehru would go to Geneva "if the necessity rose." Krishna Menon is likely to play an active mediatory ole while he is present, and probably will focus his efforts on econciling the American and Soviet positions with regard to the establishment of a neutral Laos. The Indians may go out of their way to cooperate with Soviet delegates as a part of their continuing effort to counter Chinese Communist influence.
t t k	8 May broadcast by the North Vietnamese - ominated National Front for the Liberation of South Vietnam NFLSV) calls on the 14-nation Geneva Conference to "hear he serious accusations of the people of South Vietnam vis-a- is the American imperialists' policy of aggression in South fietnam." Hanoi, which usually publicizes such statements y the Front, has not yet been this specific, but on 9 May, it id broadcast a NFLSV demand that the Geneva Conference co- hairmen "take appropriate measures to prevent US maneuvers gainst the South Vietnamese people."  last year that the Front was ordered into being by

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Hanoi; the North Vietnamese advertise it as a spontaneous movement of South Vietnamese "patriots."

Bloc airlift operations on 10 May involved a total of 22 sorties. Of this number at least five Soviet IL-14s were noted in flights from Hanoi to the Nam Bac area north of Luang Prabang and return. On the same day six other bloc transports flew round-trip flights between Hanoi and Xieng Khouang.

			A similar as	
			A similar ope	
	out in late April.			
	uggest logistical s southern Laos and			
n 10 <b>M</b> ay. Thi	Soviet AN-12 was scheduled from Irkutsk to Peiping May. This AN-12, which has been previously involved			
	support operations	s, is pro	oably destined.	101
orth Vietnam.				
		<del>.</del>		

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## The Situation in the Congo

the UAR ambassador will be accompanied by a staff of five.  The American Consulate in Elisabethville reports that as yet there has been no sharp reaction on the part of the Katanga government or population to the news of Tshombe's imprisonment and arraignment. The Elisabethville radio, however, has characterized the Leopoldville government as "having made a mockery of all human decency by falling on the only man who managed to save what could be saved in a country delivered to the incompetent hands of a gang of apprentice sorcerers." The Leopoldville radio, for its part, has interspersed its programs with appeals to Katanga for calm.

## Bloc Maintains High Volume of Shipping in Cuban Trade

Thus far in 1961, at least 200 cargoes of Cuban sugar have been loaded for delivery to the bloc. If shipment is continued at this rate, the bloc's purchase commitment for the year can be fulfilled. Of the 180 deliveries from the bloc, about 80 were of petroleum and 7 of major arms.

The bloc's trade with Cuba prior to 1960 was confined to occasional sugar deals requiring relatively limited amounts of shipping. Since the conclusion of the first Soviet-Cuban economic agreements in February 1960, which were followed by similar agreements with the rest of the bloc, a large volume of shipping has gradually developed. In July, when Castro seized the US and British oil refineries and the USSR assumed an obligation to supply all of Cuba's petroleum requirements, Soviet shipping to Cuba underwent a rapid build-up. Through the latter half of 1960 the volume and variety of bloc goods moving to Cuba increased steadily, as did the volume of sugar moving to bloc ports. Finally, in December, when the bloc agreed to take as much as 4,000,000 tons of Cuban sugar in 1961, the number of bloc and bloc-chartered ships in the Cuban trade reached the high level which has since been maintained with little change.

The use of chartered Western vessels is vitally important to the bloc in providing its support to Cuba. A large part of the East European goods moving to Cuba, including machinery and equipment, consumer goods, and foodstuffs, is delivered on nonbloc ships, as are all of the Chinese exports to Cuba. Roughly half the Soviet petroleum being delivered to Cuba is shipped on Western tankers. Although sugar is being carried on many bloc vessels, more than half has been loaded aboard chartered Western merchantmen.

Soviet petroleum deliveries have been more than adequate to cover Havana's requirements and recently have been reduced

because Cuba's refining and storage capacity is inadequate to accommodate the previous rate of delivery. Shipments have averaged more than 300,000 tons a month since last August, but in mid-April the Cuban petroleum agency was forced to request a slowdown to 250,000 tons in April and May. Unless receiving capacity can be increased, deliveries will fall below the 4,400,000 tons scheduled for the year.

Communist China, although engaged in a massive grain import program requiring extensive chartering of Western vessels, has not neglected its commitments to Cuba. This year Peiping has delivered about 85,000 tons of rice and smaller quantities of corn, meat, and other foodstuffs. Most of the rice being shipped by the Chinese has come directly from Burma. This year more than 50 Western vessels have been chartered by the Chinese to pick up sugar in Cuba.

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The Director, Office of Civil and Defense Mobilization

The Director, National Aeronautics and Space Administration

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The Deputy Under Secretary of State for Administration

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