

The New Leader
January 18, 1960

A defector's first-hand account of political infiltration, intelligence work, press subversion and espionage in a Southeast Asian neutralist country

SOVIET 'OPERATION BURMA'

CPYRGHT

By Aleksandr Y. Kaznacheyev

Aleksandr Y. Kaznacheyev is a young former Soviet diplomat who defected from his post in Rangoon last June. His report on Soviet activities in Burma—and his views on the situation inside the USSR, which will appear here next week—are of particular interest because, in family background, education and career, his story is typical of the new Soviet generation. Born in 1932 of parents who were members of the Soviet intelligentsia—his father was an electronics engineer and his mother, a doctor—he was graduated from a Moscow gymnasium in 1951. From 1951-54 he studied in the Chinese department of the Ministry of Higher Education's Oriental Institute. After two more years of work in the eastern division of the Foreign Ministry's International Relations Institute, he was attached to the Soviet embassy in Burma in March 1957, as an information officer and Burmese language and area specialist.

IN THE FALL of 1957, while on leave in Moscow, I was informed by high-ranking KGB (State Security Branch) officers that I had been selected to do political intelligence work in Burma. The two men who directed me to join KGB were Vladimir Us and Boris Galashin, whom I knew in Burma as high-ranking Soviet Embassy officers. They told me that I had been selected for KGB since I knew Burma, and the Burmese language. This was a decision that I could not accept or reject. They were only telling me what KGB headquarters had decided.

They had me sign a paper which was an oath to do my best in performing tasks assigned by intelligence superiors and to keep deadly silent about my work. The last sentence of the oath stated that, if I willingly or unwillingly revealed secrets, I should be ready to accept any punishment, including the death sentence. Us and Galashin gave me the false name of Kazakov. After this, they told me what my duties would be for Soviet intelligence in Burma.

I was to translate, from Burmese to Russian, secret documents obtained by the Rangoon element of Soviet political intelligence. I was to develop contacts in Burmese political circles, in order to gather information. This would lead to my developing "cooperative" politicians, in order to turn them into paid Soviet agents. I was to establish contacts with foreigners in Burma, in order to gather information on the work of foreign embassies and to penetrate them. Lastly, I was to observe the behavior of other Soviet citizens in Burma and report on them.

I had instructions that my intelligence affiliation should be kept secret from other members of the Soviet Embassy in Burma, including the then-Ambassador Alexei D. Shiborin himself. The KGB is supervised by the Central Committee of the Communist Party of the Soviet Union. This organization plants its residents abroad under cover as diplomats, Embassy workers, representatives of the State Committee for Cultural Relations with Foreign Countries

(VOKS), Sovexportfilm, Sovinformbureau, and as interpreters or technicians working with Soviet aid projects.

In Burma, the KGB unit's chief was Ivan Vozniy, who had the rank of Colonel of State Security. Boris Galashin, the man who "recruited" me for intelligence work in Moscow, had the cover rank of attaché. He was responsible for my political reliability.

The assistant to the chief of the group was Igor Trushkovskiy. He had the cover job of VOKS representative in Burma and the rank of second secretary and cultural attaché. Two other members of the group were Mikhail Vologzanin, who had the cover job of Sovexportfilm representative, and Dimitry Dityatev, who had the rank of second secretary and was head of the Embassy Consular Office. There are of course other people, including special technical personnel such as radio operators and code makers, who work only for the intelligence group.

The activities of the Soviet intelligence in Burma are to subvert the nationalist political forces and politicians, gather secret information about the Burmese Government and to carry out special psychological warfare. The group also had the responsibility to observe and report on all Soviet citizens in Burma, to discover the unreliable elements and those that had been influenced by "capitalist" propaganda and surroundings. The group also carries out espionage work by

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seeking to penetrate foreign embassies in Burma, especially the American. The KGB in Burma is responsible only to its headquarters in Moscow. The Ambassador himself is kept under constant physical and technical watch, and reports on his activities are regularly sent to Moscow by the group.

This intelligence group works with its agents in the political parties, such as the pro-Communist National United Front. The largest part of my work was the translation of reports and documents of these agents who penetrated the political parties, in addition to governmental departments and the Burmese Army.

The main bases from which the secret intelligence activity was carried out were the offices of the Embassy, VOKS, Sovexportfilm and Sovinformbureau. The group uses three separate units of special radio equipment for its work in Burma.

The KGB element has a special assignment from the CPSU Central Committee to maintain contact with the legal Communist parties above ground and the insurgent Communists underground. These contacts are maintained by exchanges of letters and messages and by secret personal meetings. Personal contacts can be carried out at very high level, such as that between Bobodshan Gafurov, a member of CPSU Central Committee who visited Burma, and U Ba Nyein, a leader of the Communist National United Front. In Burma, I worked as an interpreter at secret meetings between these two men.

One of the most important activities of the group in which I personally participated was special psychological warfare that embraced the entire Southeast Asian region. The Rangoon group of the KGB regularly planted in the Burmese press articles prepared in Moscow KGB headquarters. These articles were forgeries about political parties and political leaders of other Southeast Asian countries, accusing them of being tools of imperialism, dishonest and corrupt. They were aimed at isolating

and liquidating anti- and non-Communist parties and leaders. They were also aimed at spoiling relations between the people of these countries and the anti-Communist world. There were forgeries about the American support of the Indonesian rebels, American bribery of the Indian Finance Minister, frequent violations of Cambodia's sovereignty and Japan's "subversive" activity in Southeast Asia. And many, many more.

The complex planting of the articles in the Burmese press worked as follows: Articles in the Russian language were received in Rangoon from Moscow on microfilm, through intelligence channels, and reproduced as photocopies at the Embassy. I translated the articles into English and Burmese. The Moscow articles were then planted in Burmese newspapers, through trusted Burmese agents. It was then my duty to check the articles (in both the Burmese and English languages) against the original Russian text. My notes on the accuracy of the translation and reproductions of any variations from the Russian original were sent back to Moscow, this time through Tass channels. The Soviet Information Service, Tass, Radio Moscow, official Soviet diplomatic representatives abroad, and other newspapers were then obliged to publish and redistribute these materials all over the world as true stories.

The main Burmese newspapers used by the group for this work were the Communist-controlled *Mirror* and *Botataung*; the *Peoples Journal*, the *New Light of Burma*, the *Path*, the *Mandalay Ludu*, and the English-language *Burman* were also used. The Dagon Publishing House was also exploited by Soviet intelligence in Burma.

One of the best examples of such fabrications was a pair of articles planted in the *Mirror* by the Vozniy group, at the very peak of Indonesian insurgent activity during the spring of 1958. One of the articles reproduced a letter, purportedly from an Indonesian rebel leader named Sjam-

suddin to the American Ambassador in Tokyo. The other purported to be from "Admiral Frost," of the U. S. Navy, to another Indonesian rebel leader. At Vozniy's direction, I translated both of these "letters" from the Russian-language photocopies into English, and later checked the articles published in the Burmese-language *Mirror* against the original Russian photocopies. The Sjamsuddin "letter" was dated March 15, 1958, but was published in the *Mirror* in May. In it, Sjamsuddin asked the U. S. Ambassador for help and talked of aid for the rebellion from the Southeast Asian Treaty Organization. The Frost "letter," which was published in the *Mirror* in early June, advised the rebels not to surrender and stated that the U. S. would continue to help them. These articles were signed by the *Mirror's* "Special Correspondent in Djakarta." These Rangoon *Mirror* articles were then distributed among Indonesian political circles, played up in the world Communist press and even republished in an Indonesian-language newspaper, the *Bintang Timur*, which was also controlled by Soviet intelligence.

This activity of the Rangoon intelligence group is only part of the large Soviet press network throughout all of Southeast Asia. In Indonesia, Soviet intelligence uses such newspapers as the *Bintang Timur*, in India, *Blitz* and the *Delhi Times*; in Thailand, *La Patrie* was used in the same way.

In Burma, there is now the celebrated Kovtunenko case, which has been going on for many months. Kovtunenko is the Tass representative in Burma who, in the spring of 1959, published an article in the Tass bulletin which said three Burmese newspapers (the *Nation*, *Guardian* and *Reporter*) were used by the American Embassy to undermine Burma's policy of neutrality. This article was written in Moscow originally, planted in the *Delhi Times*, and signed by their non-existent Rangoon correspondent. The article was then sent to Rangoon for distribution

Burma Faces Test on Democratic System

By Ronald Stead

Southeast Asia Correspondent of
The Christian Science Monitor

Singapore

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The future of parliamentary democracy in Burma is seen to depend on the general elections there Feb. 6. It is not on who will win them—this is certain to be one of the two governing party, the antifascist People's Freedom League, has been split—but on how cleanly they are conducted and contested, and how honestly and efficiently the winners apply themselves to the task of national administration.—handed back to civilian control after 15 months of military hands.

The caretaker government, as it is named, formed by Army Chief of Staff Gen. Ne Win after Parliament asked him to become Prime Minister in October, 1958,

has put up a performance it will be hard to match. For it has improved general conditions of the country to a most spectacular degree, raised national morale higher than it ever was before, bettered the country's economic position, given a strong sense of direction that was lacking previously.

Army Stays Aloof

The Army is committed to take no part in the general elections, and General Ne Win has no political ambitions.

But neither it nor he is likely to be content just to stand by and watch national retrogression if this should happen to follow the victory of either the "clean AFPFL" under former Prime Minister U Nu or the "stable AFPFL" under former Defense Minister U Ba Swe.

When the Army took over, the unsatisfactory state of internal security was such as to prevent elections being held and political conflict was so bitter at the time that the country was not far from civil war. Today internal security is better than it ever has been since Burma's independence was attained Jan. 4, 1948, elections are fully feasible, and electoral rolls have been brought into existence on a scale never possible before.

It was because the caretaker government persuaded an unprecedented number of people to supply intelligence about wrongdoers that the internal security situation was improved so considerably, and it is because of this improvement that many others in various walks of life became possible.

Profiteering Curbed

A similar story has to be told in relation to economics. "Economic insurgents," as they were called—profiteers, black marketers, hoarders, speculators, etc.—were hunted out vigorously and profit ratios were mixed arbitrarily.

Thus an importer was allowed to make a 7½ per cent profit, a wholesaler the same, and a retailer 15 per cent on a wide range of supplies that includes essentials such as building materials, electric installations, newsprint, hardware, rubber, tires, soap, crockery, household utensils, automobile accessories, cotton textiles, sugar, and vegetable oils.

This brought the cost of living down at once, so aid cuts in

freight costs and distribution generally.

The caretaker government reports that of 4,000 importers operating in Rangoon at the end of 1958 the great majority proved to be mere dealers in import licenses and not bonafide importers. More than 1,400 promptly deregistered and a process of regularizing the situation has continued since.

Free Trade Put First

On the export side, the Exports Promotions Council was formed by the government 12 months ago to launch a drive and keep it going by improved sales and production methods. To make this work, private enterprise was given top priority and state trading organizations were put lowest, for in General Ne Win's scale of values Burma's three essential requirements all along have been freedom, democracy, socialism—in that order.

He reckons Burma now a stage two, with internal security achieved at last to the degree of permitting parliamentary democracy to get going if the politicians can rise above their own personal ambitions and party interests.

One reason why such remarkable over-all results have been attained in such a short time is that government information services, instead of being used for party ends, were devoted to telling the Burmese about Burma and evoking a response to an appeal for combined effort at the same time as this developed between the civil administration police and the military. Police areas of operation were multiplied.

Teamwork Accented

The National Solidarity Association was founded to educate a maximum number of people in the importance of working together. Also an association known as the people's reporters—citizens volunteering intelligence helpful to the police and army—was founded.

Public response has been forthcoming, too, in many fields where leadership had been wanted but was wanting. This is especially noted in rural leadership, so important in a country in which 85 per cent of the inhabitants are villagers. Training and reorientation classes, especially for government personnel, were instituted so that a new and faster pace could be set, so that the government could understand the people and vice versa. In education some reforms were put in and much political influence was put out.

There is an enormous amount still to be done. But nobody can say now it cannot be done, as so many said before when the national scene was obscured by the fog of corruption, political intrigue, and economic malpractices—a fog which General Ne Win and his "young cohorts" have done so much to dispel while galvanizing government departments and other civilian groups in uncompromising and sometimes ruthless Army style.

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N. Y. Times JAN 12 1960 BURMA REBOUNDS WITH HELP OF RICE

Record Harvest and Battle Against Corruption Pave Way for Trade Balance

Special to The New York Times.
HONG KONG—Burma's financial and economic situation took a turn for the better last year.

The military government of Gen. Ne Win made good progress in eliminating corruption, inefficiency and bureaucracy, and a record rice harvest paved the way for a favorable trade balance.

Rice exports at more than 2,000,000 tons were still below the pre-war level of 3,500,000 but far above previous post-war totals. The outlook was for an even better figure in 1960.

Burma's attitude last year toward United States aid took a turnabout. The Ne Win Government signed an agreement under which the United States would help finance two Burmese projects, a college and a Rangoon-Mandalay highway.

Burma had refused all previous offers of United States grant aid since 1953 when the government of Premier U Nu terminated a \$20,000,000 program.

Under the new aid program the United States is to supply Burma with \$30,000,000 in United States currency and \$6,000,000 in Burmese currency. Most of the money will be spent on the highway.

The outlook for private investment was enhanced in 1959 with the enactment of a bill guaranteeing foreign investors against nationalization for at least ten years. However, most potential investors are waiting to see how it will be implemented.

N. Y. Times JAN 12 1960 LAOS GAINS A BIT DESPITE UNREST

Monetary Reforms and New Business Rules Helpful —Rice Crop Declines

By GREG MacGREGOR
Special to The New York Times.
VIENTIANE, Laos—Under

black clouds of political unrest and internal dissension, the economic structure of Laos improved slightly during 1959. This was mainly due to the monetary reform late in 1958 and to new business regulations last year.

An accurate analysis of the degree of improvement was impossible because of unreliable import data and the fact that 88 per cent of the population lives outside the range of monetary economy. The majority of Laos people live by barter and are generally regarded as self-sufficient.

Crop production was also a matter of guesswork. The rice crop for last year was believed to be slightly below the average, but no cause for alarm. The opium production in northeastern provinces was reported high but the Government did not benefit because sales are illegal.

During the last five years the population of this city grew from approximately 25,000 to 68,000. Last year, a total of 194 business concerns were incorporated under the laws of Laos.

Two Cigarette Plants

Of these incorporations, 146 were here. They included two cigarette factories, one soap and one match factory, hotels, restaurants, contracting concerns and small businesses.

The vast majority of United States aid dollars went to the support of the Laos army, but aid for non-military projects declined to about \$8,300,000 for the fiscal year from \$11,040,000 during the previous year. The total American aid expenditure, including military, averaged about \$2,200,000 monthly last year.

Economists had little hope for a sizable industrial development in Laos during the next two or three years, nor for any significant economic progress without a large increase in outside economic assistance for many years.

Although Laos is reported to have numerous untapped natural resources it is badly handicapped by a lack of roads and basic means of communication and travel.

through Tass channels. In this case, the Soviet propaganda machine did not work well and a definite mistake was made in the last link of the chain. The channel of distribution was not properly selected and the editor of the *Nation* sued Kovtunenکو for defamation of character. Kovtunenکو hid out in the Soviet Embassy, to escape trial. As far as I know, he is still afraid to come out.

Beside the intelligence group in the Embassy, there are other groups with intelligence duties. The GRU (Military Intelligence) group is operated by the military attaché group. The former chief of this group was Colonel Stryguine, whose unsuccessful attempt to defect to the Burmese Government is well known. Stryguine's replacement was to be Colonel Anatoly Popov, a highly experienced intelligence officer.

Another group is the Referentura, which is responsible to the Number 10 Department of the Foreign Office in Moscow. In this group are intelligence officers, such as First Secretary Maksin, and Ambassador's Secretary Aleksandr Razvin, and another section of code makers and radio operators. The Referentura is responsible for keeping files of all secret documents and communications with Moscow. It also has the responsibility of reporting on the behavior of Soviet citizens in Burma and for technical work.

An economic intelligence service works through its economic advisor, Vasily Panov, who is the representative of the State Committee for Foreign Economic Relations (GKES) in Burma. This group has definite intelligence duties.

There is no doubt that the real intention of the Moscow and Peking regimes is to achieve a Communist Burma. The original Stalinist plan for gaining this objective through the armed efforts of the Communist insurgents has definitely failed. The insurrection was started on Moscow's orders in 1948, but the Chinese People's Republic soon appeared and direct control over the Burmese insurgents was passed to Peking. The failure of the insurgency was recognized by Moscow in 1954, and all stress was shifted to bringing the Communists to power by subversion and other "legal" means.

The aboveground Communist parties of the National United Front were assigned the main role in this new approach, while the insurgents had a supporting role. Both were

directed and supported by the Soviet and Chinese Embassies. A determined, and to some extent successful, attempt was made to achieve power by parliamentary means in the 1956 general elections, when with the financial aid of the Soviet and Chinese Governments and coercion of the voters by the Communist insurgents, the National United Front won about 40 seats in the Burmese Parliament.

Conditions became quite favorable for the Communists after the 1956 elections, especially after the split of the Anti-Fascist People's Freedom League (AFPFL) in early 1958. The split occurred with the aid of Soviet intelligence. This progress for the Communists was interrupted in October 1958, when Prime Minister U Nu transferred the premiership to General Ne Win. Several hundred Peking and Moscow agents were arrested and the Government began to achieve great successes in the liquidation of the Communist insurgents.

Thus, the Soviet and Chinese plans were frustrated. The Soviet Embassy, in reports to Moscow, labeled the Ne Win Government "pro-imperialist" and "fascist" and accused it of "liquidating the people's freedoms and rights." The Soviet Embassy was especially angered by the Government's attitude of true neutrality.

As a result of the changed situation in Burma, a new plan has been developed for the Communist achievement of power. Two months prior to my

departure from the Soviet Embassy, the Embassy received a document from Moscow that laid down the official line for Soviet action in Burma. According to this directive, efforts were to be made (1) to increase all possible support for the Communist National United Front; (2) to split the leadership of the Burmese Army by all possible means; and (3) to split and weaken the influence of the AFPFL.

The final goals of Peking and Moscow in Southeast Asia are the same, although there are some differences in their tactics. Burma, Cambodia and Indonesia are considered to be in China's sphere of influence, while the Soviet sphere of influence includes India, Ceylon and Afghanistan. Moscow's immediate interest is to have Burma as a weak but friendly neutral, with the Communists working slowly toward achieving a Communist government by parliamentary methods. The rebellion is considered a lost cause by the Soviet Government and even harmful to Soviet interests. The Chinese generally don't believe in the usefulness of neutrality and have therefore maintained support of the Communist insurgents and kept the Burma border problem unsettled.

While the Soviet Government hopes to seize Burma's hand in order more easily to seize its throat, the Chinese Communists endeavor to seize Burma's throat directly. The result is the same.

London Times
JAN 6 1960
NO U.S. MISSILE BASE
IN SIAM

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CATEGORICAL DENIAL
FROM OUR CORRESPONDENT
BANGKOK, JAN. 5

Mr. Wilbur Brucker, United States Secretary of the Army, who arrived in Bangkok yesterday from Rangoon, categorically denied reports in *Newsweek* magazine that the United States was preparing to establish a nuclear missile base in Siam. He also denied that an American base in the Philippines, where United States negotiators have so far been unable to renew their agreement, would be transferred to Siam.

Mr. Brucker's arrival coincided with the repatriation by sea of the first batch of Viet Nameese refugees returning to North Viet Nam. Nine hundred and twenty-two Viet Nameese, of whom more than half were under 18, were brought by train from the north-east and put on board ship under strict security guard. The repatriation will take several months, and will remove a disturbing security problem in Siam's vulnerable north-eastern provinces.

H. Y. Times
JAN 18 1960

AUSTRALIA SAFE ON OIL
World Supply to Make Her
Independent of Indonesia
MELBOURNE, Australia —

Dudley M. Pilcher, director of the Australian Petroleum Information Bureau, said here abundant world supplies of crude oil made Australia independent of supplies from Indonesia, according to the Australian News and Information Bureau.

Mr. Pilcher was commenting on a Jakarta, Indonesia, report that new Indonesian Government legislation was designed to provide in principle, among other things, that all oil produced in Indonesia must be refined there before export.

Indonesia was third largest provider of crude oil to Australia, with 1959 sales of 551,000 tons, Mr. Pilcher said. In that period, however, Australian imports from Iran and from Qatar (Persian Gulf) totaled 1,250,000 tons.

Australia's nearest supplier of crude oil was Netherlands (West) New Guinea, which supplied 35,000 tons last year, Mr. Pilcher said.