

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

12 January 1961

PART II**NOTES AND COMMENTS****SOVIET CENTRAL COMMITTEE PLENUM**

The Soviet party central committee, which began its meeting in Moscow on 10 January, has scheduled the next party congress --the 22nd--for 17 October 1961. Khrushchev was heard to say on 2 January at the Cuban National Day reception that the congress had been put off until late in the year because of delay in establishing contact with the incoming US administration.

Although Khrushchev did not allude to the recent difficulties with the Chinese, this factor also plainly figured in the delay of the party congress. The importance of the Chinese problem has been demonstrated in recent weeks by an extensive series of regional briefings on the November Communist conference by top party leaders. A report on this subject has now been added to the agenda of the central committee's current plenum on agriculture.

The agenda set for the forthcoming congress indicates that Khrushchev will dominate the proceedings with two major speeches. He will give, as is customary for the party first secretary, the report of the central committee which will sum up developments since the last regular congress--in early 1956--and lay down the basic lines of Soviet domestic and foreign policy for the next four years. In addition, he is scheduled to present a new party program to the congress.

The program, thought of as a long-term guide for the entire international Communist movement, was ordered prepared by the 20th congress in 1956, and is to replace the long-out-dated

one adopted in 1919. Decisions to draw up a new program have been made by every regular congress beginning with the 18th in 1939 but have never been implemented. Khrushchev probably intends the new program to stand as one of his major contributions to the course of Communist development and an important monument to his leadership.

Frol Kozlov, member of the party presidium and secretariat, is slated to present a proposed revision of the party rules to the congress. The selection of Kozlov to deliver this key report tends to confirm previous indications that he is the number-two man in the Kremlin hierarchy. The last major revision of the rules, made at the 19th congress in 1952, was reported on at that congress by Khrushchev.

The congress is also scheduled to elect a new central committee. Over five years will have elapsed since the present central committee was elected, and significant changes have occurred in the political standing of a very large percentage of the members.

The forthcoming congress will be a mammoth assemblage of over 4,000 delegates--double that of any previous congress--according to the norms of representation set by the central committee. Fewer than 1,400 delegates attended any of the last three congresses.

The central committee plenum began its consideration of agricultural problems on 11 January. The initial speakers

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emphasized extending the area under cultivation and expanding irrigation--programs with which Khrushchev is closely associated. Ukrainian party chief Nikolay Podgorny stated that the ministries of agriculture in the USSR were being reorganized so as to concentrate on "the pri-

mary task"--the application of scientific achievements to agricultural production. Details of this reorganization will probably be elaborated upon by later speakers. The plenum is expected to last several days. [redacted]

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FOOD SHORTAGES AND DISCONTENT IN COMMUNIST CHINA

Discontent strong enough to take the form of antiregime activities is reported on the rise in Communist China. The principal cause is the effect of protracted food shortages, now going into their third year.

Malnutrition is widespread

[redacted] up to 30 percent of the population was affected last summer--and observers in Peiping have noted university students suffering from beriberi and other nutritional diseases. According to Reuters, the authorities have ordered students to suspend athletic activities and to be in bed by 2200 hours in an effort to conserve their strength.

The cumulative effect of food shortages, perhaps coupled with the fear that the regime is incapable of providing any solution, has emboldened the inhabitants of several localities. In late November anti-Communist slogans were seen painted on the public buildings [redacted]

[redacted] discontent over "bad" living conditions was increasing. Many of the persons living on Hainan are Overseas Chinese recently resettled from other areas in Southeast Asia, and are thus capable of making invidious com-

parisons with conditions abroad. The regime may therefore have a more acute morale and security problem on Hainan than in other areas.

The problem, however, has apparently reached serious proportions in many localities. [redacted] signs believed to have read "More Food" and "Down with Communism" were being erased from public buildings in mid-December [redacted]

There is considerable dissatisfaction among civilians [redacted] army's favored treatment in the matter of rations. Popular discontent here may be typical of attitudes generally [redacted]

[redacted] food riots occurred [redacted] 70 persons were arrested and summarily executed.

While the regime's controls appear more than adequate to cope with the present scale of popular dissatisfaction, the serious food situation may have resulted in organizational changes at the provincial level. According to the Peiping press, the northern coastal province of Shantung was the hardest hit in last summer's drought, and has actually suffered a decline in agricultural production over the last two years. People's Daily announced

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on 8 December that neighboring provinces and municipalities were organizing a major relief campaign to assist the people of Shantung.

Two weeks earlier the local press noted the ouster of the Shantung party first secretary, Shu Tung. His replacement declared, "All cadres should overcome the high and mighty bureaucratism and habit of excusing themselves by pleading special circumstances." As Shu Tung was reputedly one of the most powerful of the provincial party bosses--a central committee member probably slated for eventual politburo membership--his dis-

missal could portend a shift in local policies. Shu belongs to the more extreme "let politics take command" wing of the party and early made his mark as a propagandist; his successor has published articles taking a more pragmatic approach.

The American Consulate General in Hong Kong reports that there is also some evidence of a shake-up in the Kwangtung party provincial committee. The number of refugees fleeing Kwangtung to Hong Kong because of the food shortage is increasing despite stringent border controls. 25X1

MONGOLIA GAINS FURTHER INTERNATIONAL RECOGNITION

Mongolia's campaign to win wider acceptance as an independent state is getting results, especially among Afro-Asian countries. On 4 January Nepal announced the establishment of diplomatic relations at the ambassadorial level, thus becoming the fourth free-world nation to recognize Ulan Bator in the past year. Guinea, Cambodia, Cuba, India, Burma, Indonesia, Yugoslavia, and all the bloc countries also maintain diplomatic relations with Mongolia.

Like the other Asian Communist regimes, Mongolia is particularly eager to gain recognition from the new African republics and Asian neutrals which might be expected to support its bid for UN membership. Indicative of the importance Ulan Bator attaches to its newly won contacts outside the bloc was the appointment last August of party central committee member Bayanbatoriin Ochirbat, one of Ulan Bator's few experienced diplomats and formerly acting foreign minister, as ambassador to Guinea. At his new post

Ochirbat can be expected not only to attempt to gain recognition from Guinea's newly independent neighbors but also to muster support for Mongolia in the UN.

Mongolia's efforts to gain UN admittance date from 1946. Membership requires a recommendation by the Security Council and a two-thirds endorsement by the General Assembly. Nationalist China used its veto to block a Security Council recommendation in 1955. Khrushchev, in his address to the General Assembly last September, called for Mongolia's admission along with that of Communist China. On 4 December, having failed to get Mongolia's application included on the Security Council agenda, the Soviets retaliated by using their veto to deny Mauritania's application for membership.

It now appears that the General Assembly, when it resumes on 7 March, will probably recommend both Mauritania and Mongolia for membership. Such a move would focus international attention on Mongolia and could serve

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as a talking point in urging favorable action in the Security Council.

As yet there are no free-world ambassadors in Ulan Bator, although the Indian, Indonesian, and Burmese ambassadors in Peiping are accredited there, as is the Cambodian envoy in Moscow. Official contacts with foreign dignitaries are nevertheless

becoming more numerous in Ulan Bator. Guinean President Sekou Touré made a state visit in September, and a Cuban Government delegation visited the country in early December. Cambodian Prince Sihanouk's three-day stopover en route home from Moscow later last month was also accorded much fanfare by the Mongolian press and radio.

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CHOU EN-LAI'S BURMESE VISIT

Communist China used the occasion of Premier Chou En-lai's visit to Burma from 2 to 9 January for a massive show of its peaceful intentions in Asia. Chou's trip was the regime's gaudiest effort to date--he was accompanied by a delegation of over 400, the largest ever sent abroad by Peiping--in its attempt to refurbish the image of a peaceful, friendly China.

The Burmese pitched in to help the show of amity. They bestowed on Chou a title created especially for him--Supreme Upholder of the Glory of Great Love--and accorded him a reception rivaling that given Burmese Premier Nu in Peiping last October. Chinese song-and-dance team contingents will stay on in Burma for as long as two months. The Chinese also opened an exhibition of their industrial and agricultural achievements in Rangoon.

At the end of Chou's visit, Peiping agreed to extend a long-term, interest-free credit of \$84,000,000, its largest single loan to a free-world nation--\$24,000,000 more than the one to Cuba. The Chinese will provide industrial equipment, send technical experts, and train Burmese technicians. The new aid offer and a trade agreement

signed last October provide the basis for a considerable expansion of Sino-Burmese trade--a goal which the Chinese Communists have been pursuing for some time.

The stated purpose of Chou's trip was the exchange of ratifications on 4 January (Burma's National Day) of the border treaty signed during U Nu's visit to Peiping. Under it the Burmese secured Peiping's agreement to draw the border along the traditional line, a signal accomplishment in Rangoon's eyes, since earlier Chinese Communist claims included large sections of Burmese territory.

Peiping has publicized the border settlement as a "brilliant example" of the ability of Asian countries to solve historical problems, claiming that the imperialists have thus been deprived of the means for sowing discord between the two countries. The Chinese have repeatedly pointed to the four friendship pacts concluded with Asian neighbors last year as evidence of their peaceableness. Chou hailed the solution of long-standing boundary differences as further proof of China's strict adherence to the five principles of peaceful coexistence and the spirit of Bandung.

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Joint Sino-Burmese survey teams are marking the 1,500-mile border.

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NEW SOCIALIST TACTICS IN JAPAN

The conservative government in Japan will face a Socialist attack in the Diet session resuming about 27 January that may be more difficult to counter and may pose a greater threat to US interests than the mass demonstrations last year. Since September, the Japanese Socialist party (JSP) has been making a gradual tactical shift, and it now appears that it will try to undermine the US-Japanese alliance by attacking the government's foreign policy on issues with wide popular appeal rather than by continuing last year's frontal attack on the US-Japanese security treaty.

On 27 December, party executives approved plans for developing a nationwide movement for restoration of trade and diplomatic relations with Communist China. On 3 January, they issued a statement opposing government negotiations with South Korea, which they charged would perpetuate the partition of Korea. They have also proposed nonaggression treaties with Communist neighbors as an alternative to the expensive build-up of Japan's self-defense forces planned by the government.

The theoretical basis for the Socialists' tactical shift

is the so-called "structural reform program" proposed by Secretary General Saburo Eda and modeled on the policy of the Italian Communist party. This new line, which will probably be debated at the party convention in March, calls for attack on government policies to improve the Socialist position within the present political and economic framework--in place of the less realistic call for immediate achievement of the socialist revolution through class struggle.

The shift, however, is one of immediate targets rather than of ultimate goals. The unstated aim of the program is to combine parliamentary opposition with mass movements to create a series of government crises, to topple successive conservative governments, and eventually to establish a coalition government with liberal elements of the conservative party. The JSP has not changed its pro-Communist stand on recognition of Communist China, Korean unification, reversion of Okinawa to Japan, the status of Taiwan, elimination of Japan's self-defense forces, and abolition of the security treaty.

Left-wing Socialists and labor leaders oppose this new

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program on grounds that it will sap the socialist and labor movements of their militancy, but they nevertheless may feel compelled to accept it because, among other factors, they recognize that direct anti-American-

ism and violence have hurt the JSP, and they hope, by seeming less radical, to undercut both the competing Zenro labor federation and the already weakened moderate Democratic Socialist party.

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INDIAN CONGRESS PARTY CONVENTION ACCENTS FOREIGN ISSUES

The annual conclave of India's ruling Congress party from 3 to 8 January, which this year had been planned largely as a showcase for the election manifesto to be used in the campaign beginning in late 1961, was dominated by crucial foreign problems. Despite much advance ballyhoo about the party's socialist program and mobilization of the masses for the Third Five-Year Plan (1961-66), the only issue which aroused heated discussion in the party sessions was the Sino-Indian border problem. New Delhi's alarm over the crisis in Laos and continued concern with events in the Congo and Nepal were also spotlighted. A striking feature was the absence for the first time since independence of reference to relations with Pakistan.

A special resolution on Chinese aggression, as well as numerous supporting statements by top Congress leaders, were more strongly worded than previous ones, reflecting a stiffening of official attitudes following the failure in December of extended Sino-Indian border talks. Any commitment to specific action was carefully avoided, however, thus strengthening the impression that the government sees little it can do to change the status quo. Congress leaders probably hoped that their heavy stress on taking "all necessary measures"

to bring an end to Chinese occupation of Indian territory would sidetrack growing criticism of the government's inaction in the border region.

Many party members were dissatisfied with the High Command's vagueness, however, and tried in the course of a stormy debate to pin the government down. Nehru, reiterating his opposition to any action risking a major Sino-Indian conflict, heatedly rejected all amendments as "irresponsible," and as usual he extracted a unanimous vote in approval of the party resolution.

The major planks of the Congress election manifesto were outlined in an omnibus resolution--drafted by Nehru--incorporating all Congress policies, with special emphasis on building a "dynamic" new social order. Other resolutions stressed achievement of the goals of the massive Third Plan which begins in April, extension of cooperative farming on a voluntary basis, and a continuing drive to turn over to village-level officials responsibility for the community development program, now in its eighth year. The threat of communalism and regionalism to India's national unity, dramatically highlighted in recent weeks by the Sikh demand for a separate state in the Punjab, also received special attention.

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The Congress convention followed a familiar pattern. Nehru's influence over party affairs, despite having declined somewhat of late, still dominated, and his steamroller tactics prevailed. Party statements tended merely to catalogue the problems and weaknesses of the country and

party, often repeating hackneyed slogans without offering practical solutions. The pattern in fact was so routine for the most part that the convention seems unlikely to have the desired impact on either the party or the electorate. [redacted]

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ETHIOPIA'S HAILE SELASSIE FACES DIFFICULTIES

Emperor Haile Selassie has been unable to re-establish normal government operations in Addis Ababa, although an outward calm has returned to the capital following last month's abortive coup, when several of his most trusted ministers and advisers were assassinated by the rebels. The Emperor's fail-

it is unlikely that the Emperor will be able to maintain his completely autocratic rule.

The Emperor is said to be aware of the deteriorating situation and to be considering some reforms sought by members of the younger, progressive elements in the capital. The progressives seek to establish a constitutional monarchy and to institute broad social and economic reforms. The Emperor may move initially to implement the spirit of the 1955 constitution, heretofore virtually ignored. Such action might include granting the prime minister authority to appoint and discharge cabinet members, who in turn would be free to exercise ministerial powers for the first time. The civil rights section of the constitution might also be considered for at least partial implementation. The reforms are not, however, expected to be enough to reduce the Emperor's position to that of a constitutional monarch.



Haile Selassie receiving obeisance

ure to reassert his strong personal leadership undoubtedly has encouraged antiregime activities by various dissident elements, and this in turn has contributed to growing uncertainty among the population. The situation appears to have deteriorated to a point where

The unstable atmosphere in Addis Ababa was illustrated on 3 January when a high security official made a radio appeal for calm and declared that rumors circulating in the capital were groundless. One rumor--that the army had threatened to "take action" unless it received an immediate pay raise--caused considerable apprehension in government circles, in part because the short-lived coup government promised such a pay raise. [redacted]

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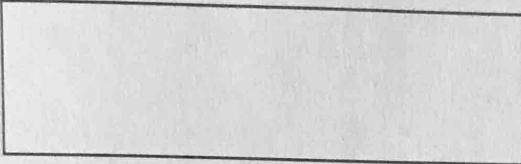
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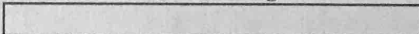
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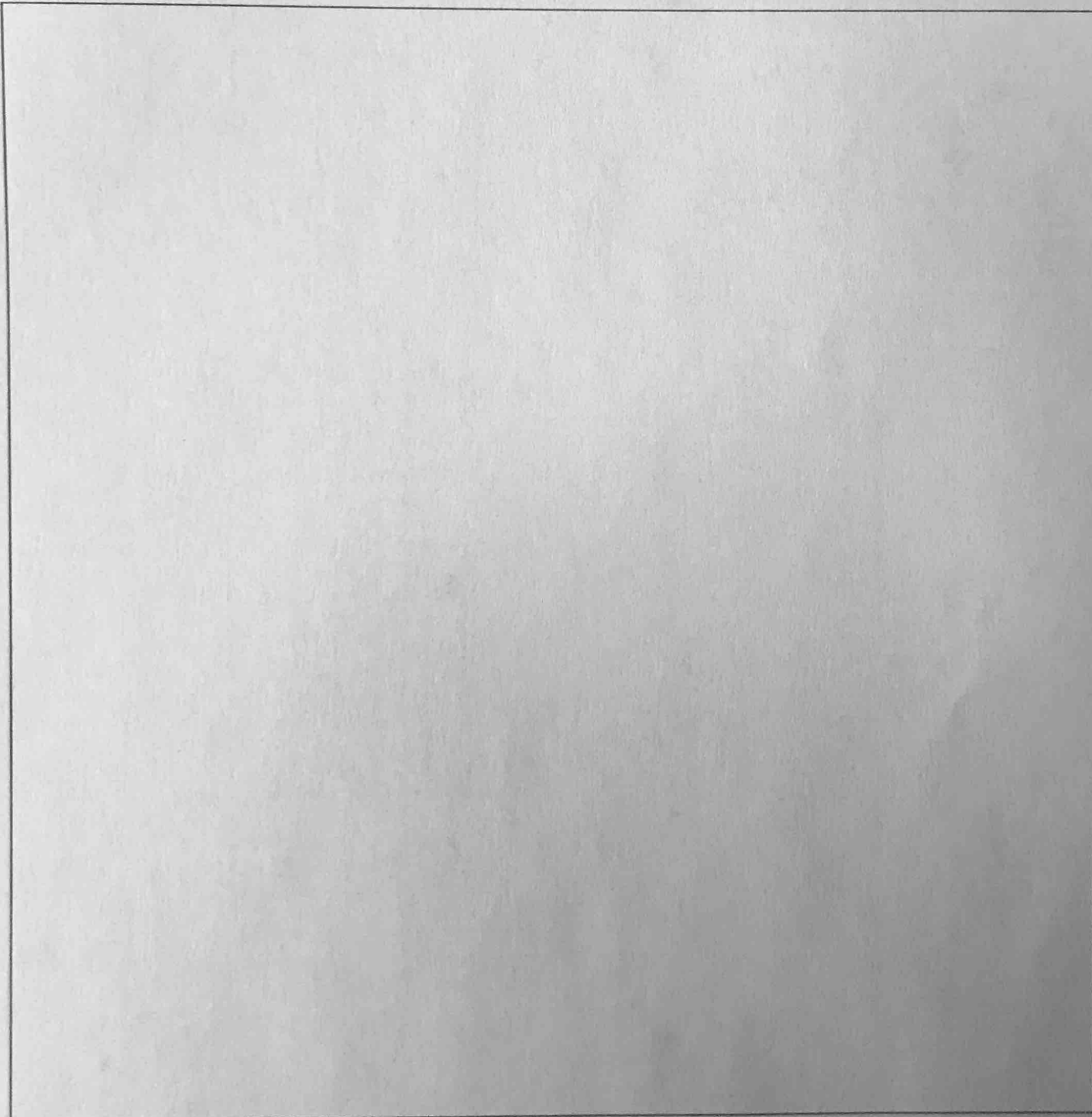


A number of government officials in Addis Ababa are known to be dissatisfied with the prevailing political situation, as are some members of

the diplomatic service. Two diplomats have sought political asylum in Cairo. Other indications of discontent are the increase in grass-roots criticism of the Emperor since the coup attempt and the student demonstrations on 5 January supporting fellow students arrested for refusing to sign pledges of loyalty. 

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THE BELGIAN STRIKE SITUATION

The Socialist-led strikes in Belgium, now in their fourth week, appear to have passed their peak. The back-to-work movement continues in Flanders and Brussels, and there are even signs that the fiercely partisan workers in the south are wearying of the strike. Observers in Brussels believe that the strikes, which were designed to topple the Social Christian - Liberal government of Premier Eyskens and prevent the passage of its economic austerity omnibus bill, will end in the next two weeks.

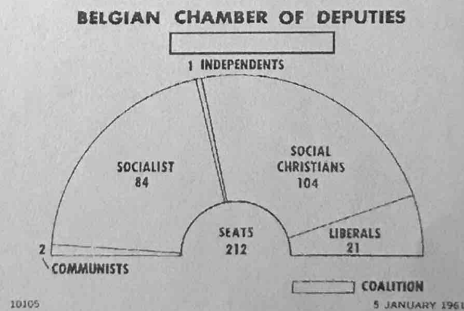
Moderate Socialist leaders, realizing that their party's stature is being adversely affected by growing public bitterness, are seeking a face-saving out. On the other hand, the government, which failed to gauge accurately the intensity of public feeling against the austerity program, appears to recognize that some concessions are necessary, and Eyskens has agreed to submit to an independent commission the government proposal that unemployment benefits be reduced. Eyskens' position has been saved thus far by the loyal support of the Roman Catholic trade unions which have refrained from joining the strikes, but he cannot afford to alienate the labor wing of his Social Christian party by too unyielding an attitude toward labor's desires.

Despite the more auspicious atmosphere for a settlement, there remains a danger of more violence and sabotage, particularly in the Walloon south, the stronghold of André Renard, deputy secretary general of the Socialist trade union confederation. Left-wing trade unionists in that area led by Renard have rejected the peace

overtures and called for a continuation of the strike. The government had earlier recalled more troops from Germany and ordered the police to act with "more firmness."

New elections in the spring appear almost certain. A majority in both government parties is reported to desire elections as soon as the omnibus austerity bill and certain other pieces of necessary legislation have been passed. In addition, King Baudouin is reportedly anxious to get rid of Eyskens in order to build a government of "new men" who could seek to heal the cleavage between the Walloon south and Fleming north.

The Belgian economy is suffering considerably from the strikes. The minister of economic affairs and the Federation of Belgian Industries have estimated the daily loss at from



\$10,000,000 to \$20,000,000--or about 1 percent of the annual gross national product per week. Consequently there could be demands for a reduction in the military budget --now set at \$344,000,000 for 1961 --particularly if the public feels that the cost of the austerity program, which includes \$132,000,000 in new taxes, could be eased by such a reduction.

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DOMINICAN REPUBLIC

The Dominican Republic evidently anticipated the additional economic sanctions against it voted by the OAS on 4 January and had already attempted to counter by moves for closer relations with the Soviet bloc. Immediately following the OAS action, the Trujillo dictatorship ordered a sharp increase in anti-US radio propaganda, and on 5 January the US Consulate was picketed with signs reading "Imperialist Yankees Get Out." The rubber-stamp congress reportedly prepared some time ago a draft bill to expel all US citizens and end consular relations.

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Efforts to expand commercial ties with the Soviet bloc have evidently been under way for several months

[Redacted]

A new trading company called Ultramar Dominicana was announced on 21 December with a management which includes two former officials of the government-controlled anti-US Radio Caribe.

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[Redacted]

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[Redacted]

BACKGROUND

The Trujillo dictatorship incurred formal censure by the other 20 OAS nations in August 1960 for involvement in the June attempt to assassinate President Betancourt of Venezuela. OAS members agreed to break diplomatic relations with Trujillo and to place an embargo on arms shipments immediately, with expanded economic sanctions to follow if the regime failed to reform. On 4 January the OAS voted to add petroleum, petroleum products, trucks, and spare parts to the embargo.

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[Redacted]

Ambassador Thompson reported from Moscow on 7 January that the USSR has continued to carry the Dominican Republic on its diplomatic list since relations were first established in 1945, although there has been no exchange of missions. He noted that the Soviet Union would have to weigh the "operational value" of having bloc diplomatic representation there against unfavorable reaction elsewhere, and suggested that the decision would be strongly influenced by Cuban desires.

Thompson thought Moscow probably identifies Trujillo's overtures as an attempt to use the USSR and would prefer to delay; he cautioned, however, against dismissing the possibility that the USSR might accept with the explanation that it wants normal relations with all peoples regardless of the character of the regime. The USSR conceivably might prepare the way by having one or more of its satellites establish relations first.

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The business situation inside the Dominican Republic is reported to be worse since 1946 and likely to be made more critical by the added cost of obtaining embargoed goods from other sources. The regime has been trying for several months to line up Middle Eastern oil supplies and has apparently aroused some interest in Iran. Trujillo, however, is now believed to have drained the Treasury of almost all its gold reserves in paying off old debts. Since his private estate is estimated at \$500,000-

000 to \$800,000,000, he presumably has further resources in his personal accounts abroad.

The local opposition has been greatly encouraged by the US role in the OAS action against Trujillo. The US Consulate reported on 4 January that no organized uprising by anti-Trujillo elements was then in sight, but that assassination plotters were becoming increasingly active in the underground.

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