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the Congo in mid-September are reported to be in Guinea "under wraps," although the former ambassador to the Congo is in Accra.

Ambassador Thompson on 4 October reported a rumor circulating in Moscow that both the chief and deputy chief of the African Section of the Soviet Foreign Ministry have been transferred, presumably for miscalculating the Congo situation. A Pravda article of 30 September referred to the "acting chief of the African Section."

On 4 October the UN began a \$500,000 public works program to combat the imminent threat of widespread disorders arising from growing unemployment. A \$5,000,000 public works program has been shelved

for weeks because the UN feared misapplication of relief funds by Congolese officials. The Congo's economic rehabilitation, it is estimated, will cost \$100,000,000 during this calendar year, excluding developmental projects necessary to avoid economic stagnation.

Meanwhile the health service threatens to break down. Outbreaks of smallpox and bubonic plague have already necessitated emergency UN action. UN officials fear that Leopoldville's water supply will become contaminated.

Much of the difficulty arises from the inability of the Congolese administration to take necessary actions--even that of merely signing UN-prepared documents. 25X1

THE SITUATION IN LAOS

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Premier Souvanna Phouma appears to be gaining the upper hand in his struggle with General Phoumi's Savannakhet Revolutionary Committee. His order dismissing Phoumi and 26 other officers from the army, his announced refusal to negotiate with Phoumi, and his insistence that Phoumi pledge his loyalty to the legal government all reflect Souvanna's growing confidence. The premier planned to go to Luang Prabang on 6 October, ostensibly for the first of several consultations King Savang will have with various Laotian leaders with a view toward formation of a new government of national unity embracing both the Vientiane and Savannakhet camps.

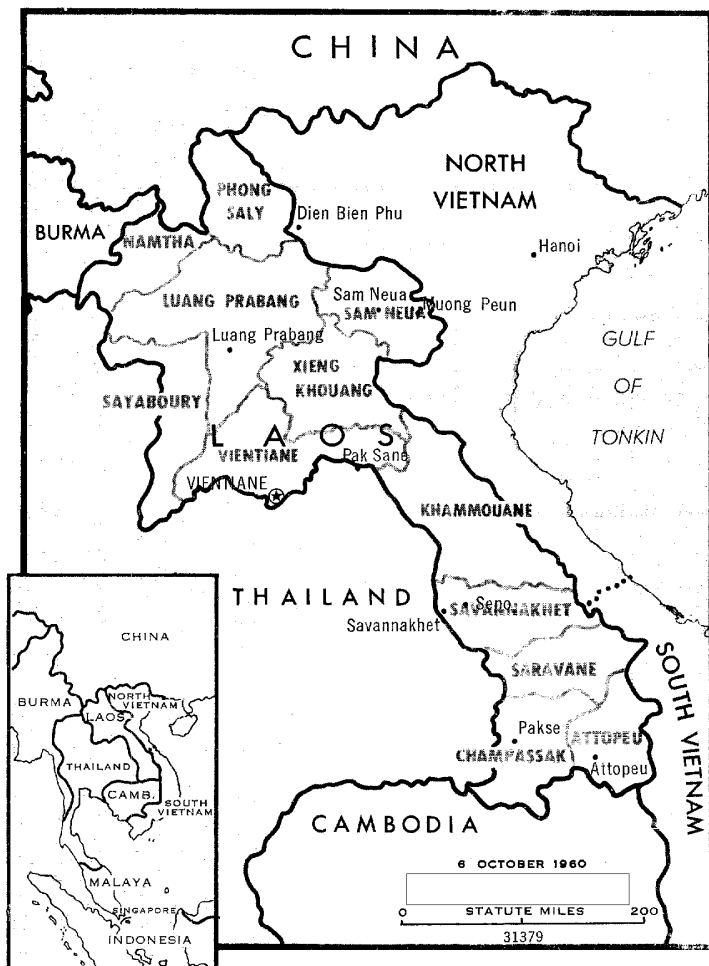
Souvanna asked his supporters to organize a popular demonstration timed to coincide with his visit to Luang Prabang provides another indication that he may now feel strong enough to avoid a compromise with Savannakhet. Such a demonstration would tend to dissuade the King from asking for Souvanna's resignation.

Phoumi's headquarters in Savannakhet claims that Captain Kong Le's paratroopers, allegedly supported by Pathet Lao guerrilla units, have resumed their offensive against Phoumi's forces southeast of Pak Sane in violation of the verbal ceasefire agreement reached in Luang

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The Souvanna government and the Communist Pathet Lao meanwhile appear to be moving quickly toward negotiations for settlement of the year-old conflict between their military forces. Both sides have appointed delegations for at least preliminary talks, and formal negotiations may begin in a few days. The Pathet Lao delegation is composed of three members of the Communist core of the movement, while the government delegation is headed by an extreme leftist, Minister of Information Quinim Pholsena. His influence may be somewhat offset by General Ouane's membership on the delegation.

The Pathet Lao will be in a strong bargaining position if negotiations are held at this time, because of its control of Sam Neua Province. The 1,000-man pro-Phoumi garrison which abandoned Sam Neua town on 28 September subsequently surrendered to the Pathet Lao, leaving only a few of Kong Le's paratroopers as a token of the government's presence in the province. Two cabinet ministers Souvanna sent to Sam Neua to investigate the situation reportedly were turned back by the local Pathet Lao commanders, who claimed they had no authority to negotiate with the royal government envoys. According to press reports, the Pathet Lao

Prabang on 28 September. Independent confirmation of this allegation is lacking, but Kong Le on several occasions recently has reiterated his boast that he could easily take Savannakhet. At a leftist youth rally in Vientiane on 4 October, the crowd urged Kong Le to press on against Phoumi's troops. While General Ouane, the armed forces commander in Vientiane, is probably sincere in his promises to Phoumi to stop fighting, it is doubtful that he is in a position to prevent Kong Le from taking independent action.

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radio later announced that no government administrators would be permitted to come to Sam Neua until negotiations for an over-all settlement had been held.

There are indications that the Pathet Lao has sent additional personnel into neighboring Phong Saly Province. Although little fighting has been reported there, the insurgents may be trying to create a position of strength in that area in anticipation of the forthcoming talks. The Pathet Lao used Phong Saly and Sam Neua as their trump cards in the negotiations which culminated in the integration agreements of 1957 and the subsequent formation of a coalition government.

The King has approved the proposal for establishing diplomatic relations between Laos and the USSR, thus completing the procedures required under the constitution for entering into relations with another state. Under present plans, the Soviet ambassador to Cambodia will be accredited to Laos and the Laotian ambassador to France will be accredited to the USSR.

Hanoi has hailed the fall of Sam Neua as a victory for the Laotian people. Pathet Lao operations in northern Laos have probably been supported by Hanoi, but there is no evidence to support rumors that North

Vietnamese troops are in Laos. While it may be providing Laotian Communists with training and provisioning depots across the border in North Vietnam, Hanoi probably would be reluctant to become more overtly involved at present for fear of precipitating pro-Western intervention at a time when Hanoi most likely feels that the Laotian situation is favorable for the Pathet Lao.

The Soviet counselor in Peiping recently told a British visitor that Peiping did not intend to intervene in Laos, but if the Chinese should decide to send troops to counter a United Nations move into Laos, the USSR would support Peiping even to the extent of sending Soviet troops. The US consul general in Hong Kong points out that the Soviet counselor's statement is indicative of the impression Moscow wants conveyed to the West.

Moscow propaganda continues to show concern that the UN or Laos' pro-Western neighbors might intervene and has stressed the gravity of the Laotian situation in an effort to prevent such intervention. Moscow radio on 30 September called for the United States to stop its interference in Laotian internal affairs and accused Thailand of planning a joint attack with the United States against Laos. 25X1

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PART II

NOTES AND COMMENTS

SINO-SOVIET RELATIONS

Less than three months after the bitter confrontation of the Soviet and the Chinese Communist parties last June at Bucharest, which increased the already rapid pace of deterioration in their relations, the Soviet Union evidently sent a high-level delegation to Peiping for still another attempt to reach a mutually satisfactory position. The Soviet party may have felt that its efforts of the preceding two months to marshal support for its own views and thus isolate the Chinese within the world Communist movement would induce the Chinese to adopt positions closer to those of the Soviet Union. Recent Chinese statements suggest, however, that no progress toward reconciliation has been made.

Ambassador Thompson reported on 27 September that a rumor was circulating in Moscow that Mikoyan and Suslov were visiting China.

A delegation of this stature, including Suslov, the Soviet Union's top ideologist, would be empowered to conduct authoritative negotiations with the Chinese--and to make some adjustment in the Soviet positions--in an effort to bring their views closer together in order that the meeting of Communist parties in Moscow in November not result in the same impasse as the Bucharest meeting. In addition, the delegation may have been sent to China to determine if a meeting of Chinese leaders with Khrushchev during his planned visit to North Korea in October would be possible and fruitful.

Recent Chinese statements suggest that this latest attempt at reconciliation failed. During the period when the talks were presumably under way, Chinese treatment of the issues in dispute was pitched in a low key. On 29 September, however, the Chinese party central committee, in a commentary on a new volume of Mao Tse-tung's works, issued its most substantial reaffirmation since the Bucharest meeting of several of the most important Chinese positions in the dispute.

The commentary warns against "illusions about imperialism,"

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cites past Western peace "tricks," insists that peace can be achieved only through struggle, rebukes those who overestimate the strength of the enemy and underestimate the strength of the revolutionary forces, and reiterates that imperialism is a "paper tiger." The commentary concludes that the volume is of "tremendous significance" for the present situation and will become a powerful weapon in "intensifying the struggle against imperialism and modern revisionism"--the latter phrase one which the Chinese often use to describe Soviet policy.

In reaffirming that Mao's propositions were successful in the Chinese revolution, the Chinese party appears to be asserting that it has been right all along and that Soviet arguments have not persuaded it to change its views. The publication of this commentary appears to mark the opening of a new offensive by the Chinese in support of their views. A People's Daily editorial on 30 September picked up the same themes for exploitation. Red Flag, Communist China's theoretical journal, which has been silent on international questions since early June, devoted two articles of its current issue to demonstrating how Mao's theses properly fit the present situation. The American consul general in Hong Kong concludes that the editorials in Red Flag and other publications indicate that a massive Chinese campaign is now under way to show that Mao is the "creative Marxist" on international questions and that his opponents are the ones divorced from reality.

It seems likely that this hard line will be the Chinese party's position in any further

bilateral talks with the Soviet or other parties prior to the November conclave, or at the Moscow meeting itself. Some indication of the strong line which the Soviet party is now likely to take in this meeting came in a public lecture on ideology in Moscow on 30 September. The speaker said "he had to admit" that the Chinese were dogmatists because of their incorrect assessment of the world situation and, since their views definitely represent leftist deviation, they would require self-criticism and admission of error.

Dealing with another central issue in the dispute, Army Major General Nikolay A. Talensky, a noted writer on Soviet military doctrine, has condemned the idea that war might be justified if it meant the end of capitalism. In the magazine International Life, Talensky said that after another war, which "could not fail" to be a world war, "the earth's population would be cut in half, and it would be the most active and most cultured part of mankind that would disappear." He concluded that a mass surprise would not bring victory for the attacker because the retaliation could still destroy all his vital centers.

The article, which has been given added stature by a review by TASS, is a direct attack on the Chinese Communist attitude that the dangers of nuclear war have been overrated. Talensky is also in effect reiterating to the Chinese--who continue to clamor for Taiwan--that the concept of limited war is invalid because it would risk full-scale war. This is the most emphatic major article on military theory to appear in the Soviet press since the Sino-Soviet dispute sharpened at the Bucharest

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conference, and indicates an effort to show in practical military terms why the coexistence line must be followed.

The strain in Sino-Soviet relations was pointed up by the failure of any Communist country, except Albania, to send a delegation to Peiping to take part in the 1 October anniversary celebrations. All the communiqueés of congratulations, a standard part of any such celebrations, were unenthusiastic and routine, and none--with the exception of Albania and the Asian satellites--made a personal reference to Mao. In speeches and writings on the anniversary, the Chinese, with the support of the Albanians on one side, and the Soviet Union and the other bloc members on the other, while all paying conventional tribute to the need for bloc unity, displayed sharp contrasts in their assessments of the international situation.

In addition to the support given Moscow on this occasion, the satellites have moved in other directions as well. In mid-September, the Polish central committee, the last of the East European central committees to discuss the results of the June Bucharest conference, issued a resolution which faithfully mirrored the Soviet Union's own. The Poles--as have some of the other Communist parties--sent a letter to Peiping disputing the Chinese position on the inevitability of war and reaffirming the Soviet concept of peaceful coexistence.

A shrill note of irritation has begun to appear in the day-to-day contacts between the Chinese Communists and members of the rest of the Soviet bloc. Earlier reports that bloc diplomats were increasingly bitter over their treatment by the Chinese in Peiping has in part been substantiated by complaints made by the Polish ambassador in mid-September over restrictions placed by the Chinese on the movements of all diplomats. Despite the fact that the Chinese ambassador is the dean of the diplomatic corps in Prague and that representatives of all major nations gathered to see Czech leader Novotny and Polish boss Gomulka depart from Prague for the UN session on 18 September, the Chinese ambassador failed to appear.

At the International Scientific Film Association meeting in Prague, which began on 16 September, the Chinese delegates refused to ride in the same bus with the Soviet delegation. The Soviet chairman of the meetings publicly condemned the Chinese when they arrived late for a meeting and recommended that they emulate the conduct of the American delegates. Hong Kong distributors of Druzhba, the Sino-Soviet Friendship Society magazine published in Moscow, learned on 3 October in answer to their earlier query that publication of the magazine has ended and that they would receive a refund for the unused portion of their subscriptions. A Soviet distributor in July had indicated that cessation of the magazine was still an open question.

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With the present unyielding attitudes evinced by both major parties, it is difficult to see how the planned conference in Moscow can make much headway. The Chinese, bolstered by the expression of support from the Albanians and the determined effort of Ho Chi Minh to remain neutral, may become even more adamant in hopes of encouraging whatever under-

currents of sympathy may exist in other parties. The USSR, faced with the possibility of additional defections from the ranks of its supporters, may feel it necessary to contain the Chinese by withdrawing some of the economic and military benefits it has bestowed on them. A further deterioration in relations appears the most likely outcome.

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PEIPING CELEBRATES NATIONAL DAY

The 11th anniversary of the founding of the Chinese Communist regime was celebrated on 1 October in a more subdued spirit than in previous years. Peiping had no outstanding economic achievements to announce; indeed, the principal speaker this year, Foreign Minister Chen Yi, dwelt on the effects of natural disasters on this year's grain harvest.

Statements on the domestic economic situation were mostly generalities to the effect that things were going as well as could be expected, at least in industry. Chen Yi asserted that China was continuing its "leap forward," now in its third year, and expressed confidence that the major targets for industrial production this year would be met.

The regime has been unusually reticent about industry's performance this year, but Chen did claim that output of iron and steel had increased about 40 percent, electric power about 45 percent, and coal about 25 percent by the end of August as compared with the same period in 1959. Output of major industrial products is therefore apparently proceeding at or near scheduled levels.

Despite a massive campaign to enlist the help of "all the people," the nation's agriculture continues to founder. Comments on agriculture were confined to references to the "worst" natural calamities since the regime came to power. People's Daily said in its National Day editorial that some 150,000,000 acres--about half the total grain area--had been affected by calamities, and that one third of this area had sustained "serious" losses. Peiping says drought has struck wide areas for the second straight year, adding that reservoirs throughout the nation are only about 40 percent full and that only 50 percent of this water can be used for irrigation.

Independent weather data through late September reveal that crop weather, although bad, was not as bleak as the picture drawn by the regime. Drought is continuing in the North China plain and will hinder the planting of the winter wheat crop; the late rice crop is several weeks behind schedule and could be damaged by an early frost.

Industry is providing more in the way of material support for agriculture than ever before--120 percent more

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chemical fertilizer, 82 percent more insecticides, and 18 percent more irrigation machinery were furnished in the first eight months of 1960 than in the comparable period last year-- but the gains here have not dispelled the regime's concern over crop prospects.

The National Day celebrations provided little fresh insight into the leadership situation in China. Most of the regime's top officials were in attendance in Peiping, and the absence of several others could be accounted for by the press of regional duties. Mao Tse-tung as head of the party and Liu Shao-chi as head of the government and heir apparent to Mao's party role jointly received the accolades of the more than 500,000 people who jammed Tienanmen Square, and the two leaders shared prominence in holiday newspapers, which featured their pictures. Chen Yun, at one time the regime's leading economic planner whose activities now may be restricted by illness, occupied a place on the rostrum among the top party leaders.

Missing, however, were party Secretary General Teng Hsiao-ping and politburo member Peng Chen, the mayor of Peiping who traditionally opens the ceremonies. One or both of them may be involved in discussions with Soviet party officials.

Former Defense Minister Peng Te-huai, apparently still in disgrace for resisting party leadership in the armed forces last year, was also absent.

Peiping used its holiday propaganda, particularly to the neutralist states, to rebut criticism that China is belligerent and to make a show of "socialist unity," but the Chinese preoccupation with militant struggle clearly showed through these surface themes. The absence of official delegations from any bloc countries except Albania underlined the stresses in the Sino-Soviet alliance.

The traditional military parade was eliminated from the ceremonies, perhaps to help moderate the impression of Chinese bellicosity. To this end, the holiday propaganda also made much of the signing of the Sino-Burmese boundary treaty and of the activities of visiting Burmese Premier U Nu and the large cultural delegation which accompanied him. (See article on page 20.)

This peace posture is not intended to suggest any lessening of Chinese support for the "anti-imperialist forces." Anxious to demonstrate their support of the Algerian rebellion, the Chinese devoted considerable attention to Algerian rebel premier Ferhat Abbas, who was in Peiping for the celebrations.

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ALBANIA REAFFIRMS SUPPORT OF CHINESE POSITIONS

In the last three weeks, Albania has extended its support of Chinese Communist positions in the Sino-Soviet dispute, while China has supported Albania in the face of growing Soviet disapproval of the Tirana regime.

The Albanian leaders have used the Chinese Communist October anniversary celebrations as the occasion for an explicit reaffirmation of their support for Peiping's ideological positions in the dispute. Recent Albanian statements are the most

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outspoken of any that this country--which has been out of step with Moscow on the Sino-Soviet dispute for over a year--has yet made.



HOXHA

Speeches by Deputy Premier Abdyl Kellezi, the leader of the Albanian delegation to Peiping--the only satellite delegation sent for the anniversary celebrations--contain unusual praise for the Chinese Communist party, referring to the "correct line ... followed consistently by the glorious Chinese Communist party led by Comrade Mao Tse-tung," and averring that Albania will study the Chinese "experience."

On 4 October, Kellezi stated that the Chinese "have always marched forward along the correct Marxist-Leninist line as delineated by the party and Comrade Mao Tse-tung." The Chinese reply stated that Albanian-Chinese friendship was "most intimate, eternal, and unbreakable." Party First Secretary Enver Hoxha, speaking at a Chinese Embassy reception in Tirana, labeled the Chinese line a "correct application in a creative manner" of Marxism-Leninism--a contradiction to Moscow's position.

Soviet pressure to force the Albanians to accept Moscow's line may be responsible for the "tense" internal situation reported by the Italian Legation in Tirana. Albanian leaders reportedly are "nervous" and bloc diplomats in Tirana unusually "agitated." The legation noted that the Soviet ambassador to Tirana returned to Moscow for consultations twice in late August. Moscow's efforts may have been reflected in the 9 September ouster of politburo member Liri Belishova and Central Auditing Commission chief Koco Tashko, and the reported removal of Rrapo Dervishi as head of the Tirana city party organization.

There have also been an unusual number of rumors circulating in Tirana about further personnel changes and about an abortive coup attempt. Soviet pressure and Tirana's "nervousness" may also be behind the evident postponement of the party's fourth congress, slated for November. Specified pregress activities--including the pub-



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lication of the new economic plan--have not been carried out.

Soviet displeasure is clearly visible in the snubs of

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Albanians in recent weeks. Pravda failed to mention the Albanians in its 7 September listing of Eastern European delegations to the UN General Assembly. Premier Shehu, who headed the Albanian contingent --Hoxha was the only Eastern European party leader whose country has UN membership that failed to attend--apparently got a chilly reception from other Eastern European delegations. TASS failed to mention him in reporting the reception on 27 September at the Czech UN mission headquarters in New York. According to Western press accounts, Shehu was pointedly ignored by Khrushchev, who refused to shake hands with him.

The reasons for Albania's support of China is its ideo-

logical sympathy for the Chinese position and the similarity in its concern over the "external threat"--in the Albanian case, from Yugoslavia. That Albania has continued to lend its support despite Soviet disapproval may be due to the apparently high degree of control Hoxha has over the party, his receipt of support from China, and awareness of latent sympathy in other bloc countries for the Chinese position.

The Soviet leaders probably view Albania's continued defiance as a threat to their campaign to isolate Peiping and to their authority over Eastern Europe and can be expected to make further moves to bring Albania into line. [redacted]

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ITALIAN COMMUNISTS AND THE SINO-SOVIET DISPUTE

The Sino-Soviet dispute has revived the "hard-soft" controversy that has long plagued Italy's Communist party (PCI) --the largest outside the Soviet bloc. Secretary General Togliatti can be expected to keep the party firmly orientated toward Moscow, but opposition elements may attempt to use the Sino-Soviet dispute to undercut the present party leaders. Provincial congresses reportedly will be held throughout Italy this fall to discuss "peaceful coexistence between diverse systems and the non-inevitability of war."

The Moscow-Peiping controversy has been having repercussions for over a year in the

PCI. In the early stages of the dispute the party press was cautious in commenting about the ideological rift, apparently because it was not sure of the Soviet line. [redacted]

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At the January 1960 congress of the Italian party, a number of the revolutionary-minded "old guard" were ejected from the directorate, and the "revisionists" achieved a

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majority in the central committee. Togliatti and Giorgio Amendola, chief of the PCI's "organization commission," are believed to have engineered the removal of revolutionists directing party committees in Milan and Bologna, but were less successful in Turin, Genoa, and elsewhere. Leadership of most of the smaller federations --or local organizations--remained unchanged.

On 25 July an intensive campaign to clarify "policy issues" was apparently begun. Meetings were reportedly held in all federations to discuss the main points of Khrushchev's speech at Bucharest criticizing the Chinese, and a series of articles translated from Russian and Chinese was presented to illustrate the disagreement.

have been planned to show up the Chinese position as anachronistic and stress the "justice" of the Soviet stand. Furthermore, the Italian party is said to have been destroying thousands of pamphlets sent by the Chinese Embassy in Bern setting forth the Chinese thesis.

The Chinese Communists are reported to have reacted by advising the PCI not to send its usual delegation to this year's National Day celebration in Peiping. Giuliano Pajetta, head of the PCI's foreign section, has hinted that the Chinese may reduce or even cease their monthly subsidy for Rome's Peiping-inspired "studies center for economic and cultural relations with China."

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On 3 August the party daily L'Unita broadly hinted that the Chinese Communists fall into an "extremist" category, and at about the same time the Communist journal Rinascita summarized the Soviet press with reference to the "full validity of the policy of coexistence and of the line of the 20th congress."

Fall congresses at the provincial level are said to

For propaganda purposes, the PCI will probably play down the dispute, continuing to adhere to the line Pajetta took at a meeting in September at Rome of Communist provincial secretaries when he dismissed the Moscow-Peiping rift as stemming from "certain misunderstandings, rather than any real divergencies."

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TENSIONS OVER BERLIN

Bonn's termination of its 1961 trade agreement with East Germany--announced on 30 September in retaliation for Communist harassment of West Berlin--will

probably result in no immediate stoppage of shipments, but it puts the Federal Republic in a legal position to take further action to restrict trade. Bonn

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has made no decision on negotiating a new agreement with East Germany or on making any definite moves against interzonal shipments during the remainder of 1960. At a cabinet meeting on 30 September, the possibility was recognized that interzonal trade could continue after 31 December if the East Germans do nothing further to aggravate the political situation.

Bonn and West Berlin authorities are discussing a plan designed to strengthen West Berlin's position. Under this proposal, if a new trade pact is negotiated, all interzonal shipments would be routed through West Berlin, thereby making it difficult for the East Germans to tamper with Berlin access routes without blocking their own imports, including vital iron and steel from the Federal Republic. Bonn has already decided to set up a central Berlin clearing house for all interzonal trade that may continue after 31 December in order to eliminate individual dealings with East German firms.

As a further move to bolster West Berlin, Chancellor Adenauer has asked the Western Allies to consider increasing their garrisons in Berlin because the nearly 50,000 East Berliners and East Germans now working in West Berlin are capable of causing local disturbances. West German officials have also publicly hinted that continued Communist encroachments in Berlin may affect Soviet - West German negotiations scheduled to begin on 17 October for the 1961 trade agreement. The 1960 protocol called for trade of \$180,000,000 each way.

West Germany is now seeking assurance from the Western Allies that they will not take advantage of the cancellation of the trade arrangement to provide the East Germans with goods that may be embargoed. Representatives of the Allies have expressed varying degrees of doubt as to the appropriateness and timing of economic countermeasures to East German travel restrictions and want a full study made of the consequences and effectiveness before imposing any economic sanctions. However, they have stated their readiness to cooperate in implementing any agreed and fully considered measures.

Two West Berlin meetings are likely to draw Communist propaganda fire. One is the anniversary celebration on 24 October of the dedication of the "Freedom Bell" ten years ago; leading German and Western dignitaries will attend. The other meeting, for which no date has been set, will be held by the All-German Affairs Committee of the Bundestag, which has met many times before in West Berlin without arousing Communist attacks.

East German party boss Ulbricht's statement before the People's Chamber on 4 October, presented in reasonable language, strongly asserts his regime's "sovereignty" over East Berlin, and demands establishment of a demilitarized "free city" of West Berlin. It gives no indication, however, of any countermeasures to Bonn's cancellation of the trade agreement. Ulbricht offered to conduct trade talks with the West Germans, but he imposed preconditions which would be unacceptable to Bonn, including repudiation of the "Hallstein

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doctrine" by which West Germany breaks diplomatic relations with any nonbloc country which accords diplomatic recognition to East Germany.

Ulbricht also set the line for bloc propaganda by charging that Bonn's action "would sever the last link between the two German states" and would indicate that the West Germans are

not interested in working for German reunification.

Ulbricht's cautious attitude may indicate that any decision on specific counter-measures must come from Khrushchev, who currently seems preoccupied with the affairs of the UN General Assembly in New York.

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CUBAN DEVELOPMENTS

Fidel Castro's experience at the United Nations has apparently whetted his appetite for international politics and strengthened his view of himself as a leader of the people, not only of Latin America, but of all underdeveloped countries, in their "struggle against imperialism." The virtually unqualified identification of Cuba's foreign policy with that of the USSR, evident in Castro's UN address, shows signs of being played down and the theme of Cuba's association with world neutralist leaders stressed. On his return to Cuba, Castro declared that Ghana's Nkrumah may visit Cuba late this year and Nasir may visit next March.

The Castro regime, which has given increasing propaganda support to the cause of the Algerian rebels, is apparently to act as host later this month for a conference sponsored by the "Algerian Aid Committee" based in Morocco. The committee member representing the Communists' World Federation of Trade Unions had urged Havana as the site of the conference.

On his departure from New York on 28 September, Castro declared that he expected to return to the United Nations in a few weeks, and New York hotel managers reported on 3 October that Cubans had been seeking

reservations for a party headed by Fidel or Raul Castro beginning 23 October. Castro told a Cuban television audience on 30 September that "we are thinking of presenting a motion in the United Nations against racial segregation in the United States."

Cuba's withdrawal on 4 October of its candidacy for a UN Security Council seat, which it had little hope of winning, may have been in return for a promise by some Latin American delegations for support for a council seat next year.

Cuban propaganda media continue their almost hysterical attacks on the United States, and some proclaim that the embassy's advice to American citizens to leave Cuba fore-shadows armed intervention by the United States. The \$100,000,000 US Government - owned Nicaro nickel plant was seized by the workers' militia on 1 October following the delivery of a US note announcing closure of the plant because of confiscatory Cuban taxes. Castro responded publicly, saying, "They spend a billion dollars on espionage and 40 billion on arms, but now, after exploiting our mineral resources for many years, they object to paying a 25-percent tax.... Let the plant be closed."

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Cuban Government agencies appear fearful of the imposition of controls on exports to Cuba. According to rumors prevalent in Havana, they are forming companies in the United States to purchase scarce items for indirect shipment to Cuba.

A Bulgarian trade delegation, headed by the first deputy foreign trade minister, arrived in Cuba on 30 September. The expected trade agreement will be the seventh concluded by Cuba this year with bloc countries. The second major shipment of military equipment from the Soviet Union recently arrived, and further shipments are expected.

Che Guevara is to visit Moscow in early November for the anniversary celebrations of the Soviet revolution, and Carlos Franqui, pro-Communist director of the government's newspaper, and several other newsmen left on 29 September to study Soviet journalism. Numerous other Cubans now are visiting Moscow, Peiping, and satellite capitals. At the same time, two East German and two Czech professors arrived in Cuba in late September as guests of the Cuban Government.

Chou En-lai's message to Castro in late September, on the occasion of the formal establishment of diplomatic relations between Havana and Peiping, promised "every possible support and assistance to the Cuban people, in case of need."

The "International Voluntary Labor Brigade," which came

to Cuba under Communist-front sponsorship last July to work on a Cuban school center, left on 1 October after a send-off featuring an address by Guevara. Guevara told the youths, who were said to have represented 43 countries, that "we of this generation will see the world liberated completely, even if we have to undergo the greatest of sufferings."

On the domestic scene, the armed forces and militia are evidently still suffering casualties in the regime's efforts to suppress guerrilla activity in the Escambray Mountains. Press sources report the launching on 4 October of an all-out government drive to rout the guerrillas and the capture by government forces of an arms cache destined for the rebels which had been dropped by an aircraft from an unknown destination.

On 2 October the Catholic archbishop of Santiago, in Oriente Province, issued a pastoral letter constituting the strongest anti-Communist statement yet made by any church official in Cuba.

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Although the church is weak in Cuba, it is in a psychologically favorable position in Oriente to head such a campaign because many priests there participated in the fight against the Batista dictatorship, and the archbishop himself is credited with saving Fidel Castro's life in 1953 after he had been captured by the Batista forces.

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NEW PARTY STRUCTURE IN THE SOVIET ARMED FORCES

A new decree on the structure of party organizations in the Soviet military establishment, recently adopted by the party central committee, is apparently the first major step in implementing a program for expanding the regular party structure in the army and navy --a program discussed and approved at the All-Army Conference of Secretaries of Primary Party Organizations held in Moscow from 11 to 14 May. The text of the decree has not been published, but commentary on it indicates that its provisions follow closely the proposals advanced to the conference by the head of the Army and Navy's Political Directorate, Army General Golikov.

Basic party units are to be established at the battalion level instead of at the regimental level as heretofore, and the staffs of the regimental party organizations are to be expanded to enable the regimental unit to exercise a supervisory role over the subordinate party units. In addition, subunits of the battalion party organizations can be established in companies or batteries, operating somewhat like shop subdivisions of a factory party organization.

No mention has been made of the proposal to substitute "elective" party organs for political departments in the headquarters of military districts, groups of forces, fleets, and military schools, nor of the earlier proposal to replace the battalion deputy commander for political affairs with full-time party secretaries. Instead, the political departments are charged with organizing the preparatory work for the transition to the new system, with supervising the new and largely inexperienced party secretaries, and with "teaching" the battalion commanders how to work with the party organization.

The ultimate aim of this reorganization apparently is to replace the deputy military commanders for political affairs and the political departments in military units with the type of party organization found in civilian life. The decree creates conditions favorable for increasing the influence of the party organizations, but further steps will probably depend on the success the new organizations have in looking after party interests in the military.

25X1

USSR INTENSIFIES CAMPAIGN AGAINST IDLERS

Moscow has stepped up its drive against "parasites" and idlers, and efforts are being made to generate widespread

public indignation against all forms of undesirable behavior. The campaign has spread into all social levels, even the

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upper levels of the bureaucracy, and includes particularly vehement attacks on the tendency to acquire private property. Parasitism in all its varieties is characterized as the most serious vice of present-day Soviet society.

The renewed offensive was opened in late August at a conference of representatives of the police, legal officials, and youth organizations; the meeting concluded that "a pitiless fight against parasites and loafers is a matter of urgency." The police and courts were said to be in no position to tackle the problem unaided. Every member of the general public was urged to join the fight. Khrushchev has lent his personal influence to the campaign by invoking Lenin's dictum that whoever refuses to work does not eat and by stating on 31 August, "Anybody who thinks he can live well and work badly is a parasite."

What constitutes a parasite was further spelled out last month at the all-union conference on ideological problems, where heavy blows were demanded against those who display "private ownership tendencies, indifference to politics...nationalism, religious prejudices, and other forms of bourgeois ideology."

In past campaigns of this sort, the primary target has been those who refuse to engage in "socially useful work" and prefer to make a living by black-marketing, profiteering, or running unauthorized "service" enterprises such as tailor shops. While miscreants of this kind are again under heavy fire, the central themes of this year's propaganda reflect the Kremlin's concern over the markedly increased tendency of

the people to acquire material wealth. Young people and entrenched party and government bureaucrats are emerging as major offenders; the principal cause seems to be the slowly growing prosperity of the individual citizen.

In at least one case, it had been explicitly stated that the prosperity of youth can lead to individualism and "leaving the collective." Some property-holding "parasites" have even been accused of quoting Darwin to the effect that freedom of spirit and any kind of creative activity presuppose the existence of private property. While such manifestations are officially attributed to remnants of bourgeois ideology, certain press writers have begun to wonder--at least rhetorically--how it happens that a petit-bourgeois outlook can grow in a socialist society.

Parasites among Soviet officials present an entirely different problem. The press has severely attacked those who seem intent on "entering Communism only on condition that they can take along their summer houses, cars, pensions, and bank accounts." At the same time, there have been hints that it is difficult to answer the contention of these officials that they have a right to enjoy the fruits of their labors on behalf of the Soviet cause.

In late September the Georgian Republic passed an antiparasite law similar to those adopted in most other Soviet republics during the past three years. Under its provisions, offenders can be sentenced to exile in remote areas and to periods of "corrective labor" ranging from six months to two years. Heavy press attention to the problem

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suggests that the way is being prepared for the adoption of a similar law in the Russian Republic, largest of the Soviet republics. Otherwise, the campaign has concentrated on threats of more severe action against parasites and on appeals for increasing ideological indoctrination of the

masses in the proper Communist outlook.

Despite the bitterness of the attacks on private property tendencies, no ready solution has been found, and the regime appears unable to overcome the increasingly bourgeois outlook of the people.

25X1

ALGERIA

The Algerian rebels are intensifying their efforts both in New York and in various Western capitals to secure backing for a UN-conducted referendum to settle Algeria's political future. At the same time, Morocco and Tunisia are trying to elicit UN intervention in Algeria on the pattern of the UN operation in the Congo.

The rebels apparently are encouraged by the two-hour meeting on 2 October of the rebel delegation in New York with Khrushchev and by the fanfare surrounding the reception of rebel premier Ferhat Abbas during his two-day stopover in Moscow en route to Peiping. Khrushchev's public statement that the Algerian government "exists" and that French-Algerian talks at Melun last June were De Gaulle's "tacit recognition" of the rebel regime indicates a shift in Soviet policy from the cautious neutral position adopted in mid-1959 to a more open pro-rebel stand.

Rebel claims that the Soviet UN delegation offered official recognition to the provisional Algerian government probably are exaggerated, however. Although Soviet leaders appear less concerned now than

in the past about avoiding offense to France, the USSR and European satellites seem likely to continue to withhold diplomatic recognition at least until after Khrushchev's expected call for new East-West talks on Berlin and Germany early next year.

Abbas' ostentatious visit to Peiping probably was designed primarily to impress Western governments that the rebels were in earnest when they stated they would accept aid "wherever it can be found." He left there on 6 October after a week's stay, with promises of "material and moral support in the Algerian war for independence." Although he may have secured additional financial assistance, new arms commitments from Communist China seem unlikely, inasmuch as previous armament commitments apparently have not been delivered.

Tunisia and Morocco appear to be vying with each other to support rebel efforts to involve the UN more directly in an Algerian solution, and they look on the UN's operations in the Congo as a useful precedent.

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September have been widely exploited by the Moroccan press. Such a counterattack, which is said to have the approval of the King, who is vacationing in Switzerland, would also be designed to justify a call for UN intervention.

Bourguiba has let it be known that he is weighing the merits of an Algerian-proposed Tunisian-Algerian "union" to which he referred cryptically on 3 September

25X1

Meanwhile, in France, the predominantly Moslem study commissions, which were apparently established with an eye to the forthcoming UN debate, are faithfully, but with questionable utility, studying local Algerian problems. The government also has begun to crack down on both leftist and rightist domestic criticism of its Algerian policy.

The Algerians, on the other hand, are said to envisage implementation of the union as a means to provoke French military retaliation against Tunisia, which could then demand UN intervention.

Morocco's acting deputy premier, Abdelkhalek Torres, has threatened to order Moroccan armed forces to retaliate, should the French troops based in Algeria continue to violate Moroccan territory. Two apparently minor incidents in late

It appears unlikely that De Gaulle will make any significant new move before the UN debate--now expected in mid or late November--although his October visits to the provinces and possibly also to Algeria will provide him opportunities to speak out on the problem. Recent slighting remarks regarding the UN by De Gaulle and other top French officials suggest preparation of the public for an adverse UN resolution on Algeria.

25X1

MIDDLE EAST DEVELOPMENTS

Jordan-UAR

While Nasir and King Husayn, the principal protagonists in the UAR-Jordanian crisis, have been in New York, the situation along the Syrian-Jordanian border has eased somewhat. Military forces are still deployed near the frontier on both sides, and they apparently remain in varying degrees of readiness; but sabotage in Syria by Jordanian infiltrators has diminished, and Jordan's Royal Guards Brigade--except for an

armored car regiment--has been withdrawn from the border area and returned to Amman.

A new irritant, however, was provided by the crash landing of a Syrian MIG-17 south of Amman on 28 September. The pilot told his captors he "got lost" and ran out of gas, while Amman radio claimed he had defected from the UAR. His "suicide" on 4 October thwarted an apparent Jordanian effort to make him a real defector for propaganda exploitation.

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Prominent UAR officials, including President Nasir, have publicly denounced Amman for "murdering" the pilot, who is being martyred in an intensified anti-Jordanian propaganda campaign.

In New York, little if any progress seems to have been made in efforts to arrange a meeting between Nasir and Husayn. Although the King took the initiative in suggesting it, he now is quoted in the press as saying he could see no point in a confrontation.

Jordan-Iraq

Husayn did, however, meet with Iraqi Foreign Minister Jawad, and the resulting Jordanian-Iraqi rapprochement had overtones of the two countries' common antipathy toward the UAR. Jawad's reported denunciation of the assassination of Jordanian Prime Minister Majalli placed official Iraqi sympathies with Jordan in the latter's differences with the UAR, and his expressed regrets for the murder of Iraqi King Faysal, Husayn's cousin, in the Iraqi revolution of 1958 satisfied Husayn's prerequisite for a rapprochement. Announcement of Jordan's recognition of Qasim's revolutionary regime followed.

The two governments now may cooperate in efforts to reduce Nasir's strength and influence in the Middle East, particularly by supporting secessionist tendencies in the UAR's Syrian region. However, on the surface at least, UAR-Iraqi relations appear to be in harmony following a meeting between Nasir and the Iraqi foreign minister in New York.

Israel-UAR

Israel's dispute with the UAR over dredging work in the

Jordan River may soon become acute again. The UN chairman of the Mixed Armistice Commission (MAC) has issued a finding which will permit the Israelis to proceed with channel improvements in the river within the demilitarized zone. An Israeli Foreign Ministry official had said the work would begin during the first week in October.

The UAR probably will at least protest the finding, if only to forestall criticism from other Arab states of not opposing Israel's operations, which the Arabs suspect are part of a plan to divert the river unilaterally for irrigation in Israel.

The project approved by the MAC chairman is to be a continuation of work already completed north of the Banat Yaqub bridge to a point some 350 yards south of the bridge. The proposed diversion point in Israel's controversial river diversion project is about a mile south of the bridge. The Israelis say they have indefinitely deferred plans to divert the river from within the zone because of the political complications, although they do plan to pump water out of Lake Tiberias by 1963. They contend that their channel improvements--involving widening and straightening as well as dredging the channel--are part of the Lake Hula drainage program, but acknowledge that the improvements would also benefit any ultimate diversion scheme.

Iraq

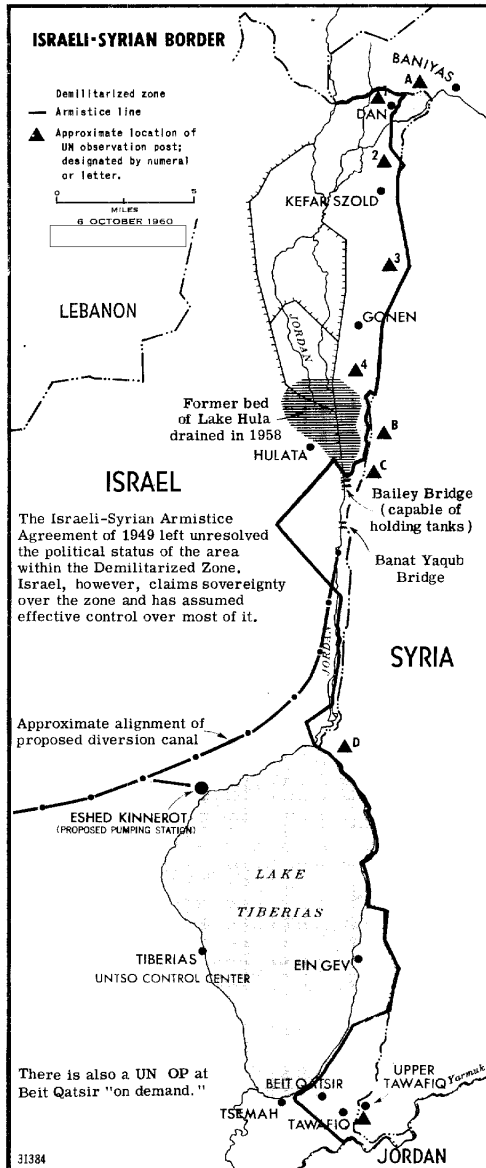
A crackdown on the Iraqi press by the Qasim regime has resulted in the banning of Ittihad al-Shaab, the country's chief Communist newspaper.

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In late August, Governor General Abdi admonished the press to refrain from extremism and criticism of the regime. However, this warning went unheeded and several papers were banned. Included among these were two anti-Communist organs and one pro-Communist. Another pro-Communist paper previously shut down was allowed to resume publication in late September.

There are indications that Qasim's campaign against press irresponsibility may result in the shutdown of all Communist-line and violently nationalist papers. This would still leave a number of moderate nationalist ones to dominate the field, and thus his actions would damage the Communists more than the nationalists.

Pravda reported the closure of Ittihad in the first Soviet press commentary critical of Iraq since Mikoyan's trip there last April. Pravda's Baghdad correspondent claimed the case against the paper was "manufactured" and predicted further moves against the "democratic press."

The latest round of negotiations between the Iraqi Government and the Western-owned Iraq Petroleum Company (IPC) has been completely unsuccessful. IPC negotiators report that on 28 September Qasim seemed ready to agree to specific proposals for the IPC to relinquish 60 percent, or some 100,000 square miles, of its concession area. After a brief recess to consult with his advisers, however, Qasim set forth a further series of sweeping demands which he characterized as "final" and "the minimum the country would accept."

Serious negotiations have so far been impossible on two other thorny issues: Basra

Publication of Al-Hurriyah and Al-Thawra, two of the largest anti-Communist dailies, has also been suspended. Ittihad al-Shaab was the official newspaper of the orthodox Iraqi Communist party and had a daily circulation of nearly 15,000, large by Iraqi standards. It also published Iraqi Review, an English-language weekly version which apparently will succumb too.

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port dues on tanker exports of IPC oil, and Iraqi insistence on effective participation in the company management. The intransigence of the Iraqi Government on all these questions has caused IPC representatives to recommend to IPC parent companies that a tough stand be adopted so as to give Iraqi Government officials a lesson in the "economic realities" of the oil business "through their pocketbooks."

Sudan

The leaders of Sudan's major civilian and religious groups are making new efforts to form a coalition in opposition to the Abboud military regime. Former Prime Minister Abdullah Khalil is reported to have agreed to head a combination of Ansar-Umma elements and the National Unionist party if the Ansar sect leader will do everything possible to reach agreement with the head of the Khatmia religious sect. Khalil claims that he has also been approached by students' representatives and the spokesman of a group of army colonels and lieutenant colonels, all of whom are eager to see the Abboud government displaced.

If Khalil is able to work out an effective coalition of these disparate civilian groups and to obtain considerable military support as well, the Abboud regime will face a crisis. It

has already been weakened by continuing dissension in the Supreme Military Council and cabinet. Moreover, with some army units in the Congo and an unusually large number stationed in southern Sudan, the government might be particularly vulnerable to a coup in the Khartoum area.

Libya

The Kubar government and, to a lesser extent, King Idris himself are confronted with mounting popular and parliamentary disapproval as a result of the recent exposure of corruption on the part of top-level officials. The King's action on 29 September in replacing four cabinet ministers but retaining Prime Minister Kubar and others implicated in the current scandals has left the government vulnerable to continuing attacks. Opposition members of the House of Deputies took advantage of this situation to lash out vigorously in the extraordinary session of parliament which opened on 3 October. The house voted to reject the government's request that it delay its second meeting until 10 October and instead held it on the 6th.

The King is faced with the choice of making much more drastic changes in the cabinet or risking a build-up of anti-government pressures to the point where they may threaten the monarchy.

25X1

25X1

AFGHAN-PAKISTANI BORDER TROUBLES

Fighting among the Pushtoon tribes living along the Afghan-Pakistani border north of the Khyber Pass appears to be slackening. Despite the continuing build-up of military forces in the area and the

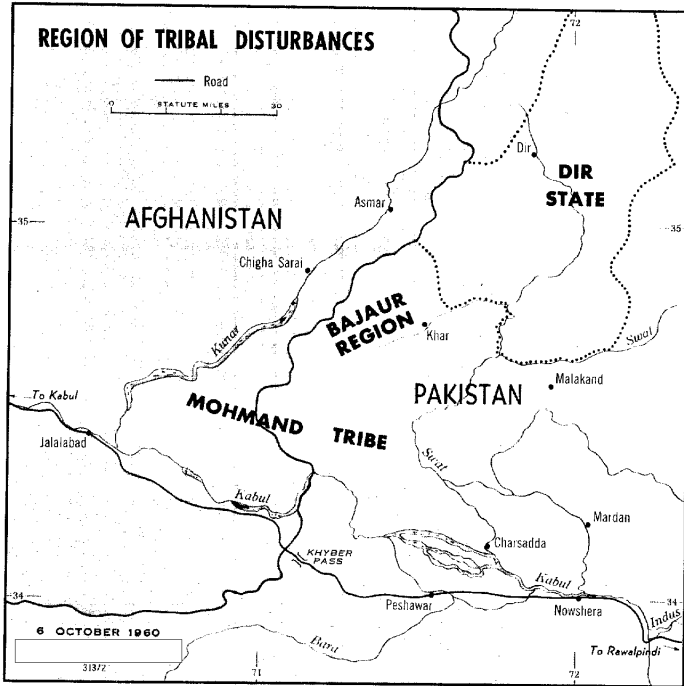
exchange of recriminations, both Kabul and Rawalpindi seem to be trying to keep the disturbance localized. Both Afghan and Pakistani governmental authority is generally resisted in the tribal belt which runs along

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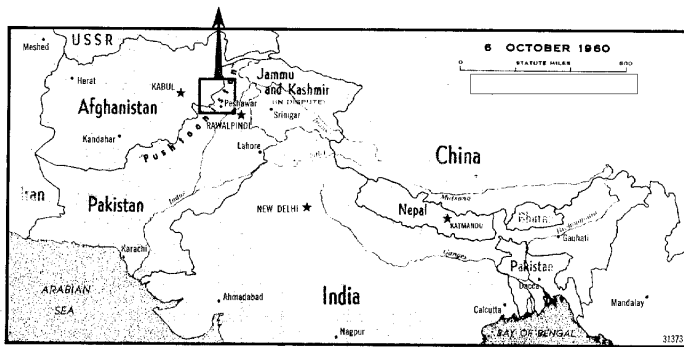
the progovernment Khan of Khar, but that, on the contrary, the local tribes repulsed the Afghan irregulars. As a result, he is probably having second thoughts about his Pushtoonistan propaganda campaign and his ability to stir up trouble among the Pakistani tribes.

Since Daud originally took the initiative by sending the irregulars across the border and by concentrating regular army forces at the border to exploit unrest on the Pakistani side, he would lose prestige among the powerful Pushtoon tribes if he demobilized and withdrew with no apparent gain. Accordingly, Pakistan continues to strengthen its forces near the scene of the fighting to be ready to respond should Afghanistan intervene on a larger scale.

Soviet propaganda has been notably silent on the tribal unrest,

despite Khrushchev's public support for Afghanistan against Pakistan in the Pushtoonistan dispute.

Partly as a result of the frontier disturbance, Daud faces new problems at home: reservists are reportedly continuing to desert; food prices in Kabul have risen sharply following government purchases to feed the reserves; and an outbreak of cholera is further disrupting the life of the city. Afghan police have conducted a search for arms in Kabul bazaars.



both sides of the border. Neither government wants to become overcommitted to a fight which would probably result merely in further antagonizing the tribes against all governmental authority.

Afghan Prime Minister Daud apparently was surprised that more Pushtoon tribes on the Pakistani side of the border did not join with the Afghan tribal irregulars who crossed into Pakistan to help defeat

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SINO-BURMESE BORDER TREATY

Burmese political leaders view the new Sino-Burmese border treaty, signed on 1 October in Peiping, as their most significant diplomatic achievement since independence. For the first time in modern history, the entire border between the two countries has been defined in terms acceptable to both governments. The treaty has eliminated legal justification for Chinese incursions by doing away with overlapping territorial claims. Moreover, Burma made far fewer territorial concessions in the process of reaching agreement than it had feared would be necessary.

The text of the 12-article treaty and attached notes carry strong evidence of the skill of Burma's chief negotiator, Brigadier Aung Gyi, who is deeply suspicious of China's intentions. Throughout there is a marked exactitude of language which is intended to avoid future differences in interpretation of the treaty. Wherever the language of the treaty appears ambiguous, it is supplemented by a detailed map. The only intentional ambiguity remaining in the treaty is the identity of the "western extremi-

ty of the Sino-Burmese boundary" --an issue in dispute between China and India.

The treaty and attached notes provide restrictions which should help limit illegal border crossings by the tribal peoples residing on both sides of the frontier. Residents in the transferred areas automatically take on the citizenship of the administering government unless they declare their allegiance to the former government within one year and move out within two years, trans-frontier cultivation is to be eliminated within three years, and the traditional right of the tribal peoples to visit across the frontier is eliminated.

Even though 1 October was declared a national holiday in Burma to celebrate the border treaty, the Burmese leaders continue to recognize Communist China as a dangerous neighbor. In an effort to develop at least minimal defenses against potential incursions from the north, the government has turned over the frontier areas in the Shan and Kachin states to a special army administration.

25X1

25X1

PHILIPPINE CONCERN OVER POSSIBLE RESURGENCE OF HUK ACTIVITY

A recent wave of killings in rural areas of Luzon has caused considerable speculation in the Philippines concerning a possible resurgence of the Communist-led Huk rebellion, which posed a serious internal threat after World War II.

In mid-September, Philippine defense and military lead-

ers met to consider the implication of reports that 13 provincial murders in a two-week period were part of a Communist liquidation campaign against former Huks who had turned government informers. Armed Forces Chief of Staff Lt. Gen. Cabal ordered a reinforcement of constabulary units on Luzon with 2,000 army troops and placed all troops on

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alert status. Since the subsequent capture of two relatively senior Huks, military leaders appear less apprehensive of a new Communist uprising.

Although this drive, like past ones, does not appear to have eliminated any major pocket of remaining Huk strength, Philippine defense leaders have given it considerable publicity. According to the American Embassy, there has been no real evidence of a Huk resurgence, although Communist responsibility for the provincial murders cannot be discounted.

The number of armed Huks in the Philippines is estimated at less than 300; this number could be increased by recruiting among presently passive supporters, particularly in central Luzon where abuses persist over land tenure.

25X1

Although the Garcia administration has recently tended to mute the anti-American overtones of its "Filipino First" programs, the Communists have had some success in exploiting this theme among the student, intellectual, and labor circles.

25X1

SOUTH KOREAN UNREST

Increasing South Korean student unrest, agitation among lower ranking officers in the armed forces, and the appearance of editorial criticism suggest growing popular dissatisfaction with the Chang Myon government. The situation is aggravated by the political stalemate resulting from factionalism in the ruling party which prevents the government from taking a firm lead in shaping public opinion.

The government is concerned over the unrest and confusion encouraged by continuing demonstrations by students and other groups which the police report have involved 775,000 persons since April. Conservative elements are tiring of the almost continuous street disturb-

ances, but the government apparently feels powerless to act because students are generally still considered almost sacrosanct. Many students are critical of the UN formula for unification, which calls for UN-sponsored elections in both parts of the country, and favor the "neutralization" of Korea, increased contacts between North and South, and a "Korean summit" conference to explore the possibilities of unifying the country. One group of students favors a military coup.

A group of junior officers in the army, hoping for promotion, is agitating for the ouster of senior commanders. Junior officers recently visited Prime Minister Chang and the minister

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of national defense to present their demands; Chang now has ordered the arrest of 16 field-grade officers believed to be the ring leaders of this group.

Chang is planning to relieve the chairman of the joint chiefs of staff and other top generals associated with the corruption of the Rhee regime in an effort to remove causes of dissatisfaction among junior officers and restore discipline in the armed forces. The purge also may be motivated by a desire to eliminate officers who are senior in rank to Army Chief of Staff Lt. Gen. Choe Kyong-nok

and who might align with Chang's political rivals. Choe apparently believes that failure to remove the generals in the near future could encourage a revolt supported by the great majority of officers.

An editorial in a leading newspaper on 30 September castigated the inaction of the National Assembly in correcting the conditions uncovered by the April revolution and questioned whether the public would long tolerate parliamentary inactivity and partisan feuds.

25X1

THE COMMON MARKET'S FARM PROBLEM

Reconciliation of conflicting national farm interests is becoming an increasingly difficult obstacle for the Common Market. Proposals for a common agricultural policy, which were revised by the Common Market's executive commission to meet both internal and external criticism, continue to be criticized as too protectionist, too interventionist, or too liberal. In consequence, agreement on any kind of policy in the near future is doubtful.

The key features of the commission's compromise program are a gradual equalization of prices for farm products, which vary widely throughout the Common Market; replacement of national marketing bodies with community agencies; and a system of target prices maintained with variable import duties.

While this program has alarmed producers abroad, it is regarded as insufficiently protectionist by entrenched farm interests within the community, and provisions for such structural reforms as regrouping small holdings and encouraging improvements in farming techniques do not satisfy those who hope the community will pave the way for a more efficient farming industry.

Farmers in West Germany, who have led the opposition, have strongly opposed even the minor reduction in German grain prices proposed for next year, and Agricultural Minister Schwarz has drafted an alternative plan which would retain national marketing agencies and make extensive use of long-term bilateral marketing agreements, which are usually discriminatory. Chancellor Adenauer could

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normally be expected to oppose such an "anti-European" program, but he has appeared loath to do so. Many attribute his current coolness toward the Common Market Commission to pressures from the farmers, whose votes he will seek in next year's federal elections.

Failure to reach early agreement on at least the outlines of a program could have major repercussions on the development of the six-nation European community as a whole. Including agriculture in the Common Market's coverage was a bold decision in the first place, and one avoided by the rival Outer Seven; failure to implement this decision would eliminate another reason for regarding the Common Market as a unique instrument to be kept intact. Moreover, the Netherlands was persuaded last May to sup-

port the decision to accelerate the community's development only on condition the farm program also be speeded up.

In its broader political implications, the situation closely resembles the crisis which shook the Coal-Steel Community (CSC) in 1959. The CSC's High Authority --comparable to the Common Market's Commission--has never fully recovered, the prestige it lost at that time when the member states--led by Bonn--refused it adequate power to deal with the coal surplus. De Gaulle himself, in advancing his ideas for a non-supranational confederation, has cited the CSC crisis as proof that the supranational principle does not work, and he has predicted similar difficulties for the Common Market with the farm problem.

25X1

POLITICAL INSTABILITY IN EL SALVADOR

The Lemus administration in El Salvador has emerged from its recent political crisis in a dangerously weakened condition. On 3 October the government extended the state of siege for an additional 30 days because "the reasons for which it was originally imposed still prevail." Events in El Salvador, the smallest but most densely populated Central American republic, have historically affected developments in neighboring countries, and the stability of Salvadoran governments since 1948 has been an important positive factor elsewhere in Central America.

Repeated leftist and student-led demonstrations, which resulted in open violence on 2 and 15 September, revealed President Lemus as a weak and inept executive, and at one point led friends of ex-President Oscar Osorio to consider a coup to restore Osorio to power. Lemus was saved chiefly by the mili-

tary's strong attachment to constitutional legality and by a growing awareness among business leaders that the President,



LEMUS

whatever his faults, represents law and order.

A meeting on 19 September of 50 prominent citizens,

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including representatives of "the 14 families," which control most of the country's private wealth, resulted after heated debate in a decision to



OSORIO

try to work with Lemus and to finance a campaign to educate the public on the Communist threat. However, many of Lemus' associates are pessimistic, and the American Embassy doubts that he will be able to retain power for the remaining two years of his term.

The basic issue is growing popular pressure for socioeconomic reforms in the country, where the gulf between the very wealthy few and the impoverished majority is probably

greater than anywhere else in Latin America. Salvadoran Communists, who include experienced and capable leaders, are actively exploiting public grievances. Traveling pro-Castro teams have been proselytizing in the countryside, where Latin America's first Communist-led peasant uprising took place in 1932.

President Lemus, although elected on a mildly reformist platform, has been unable to provide the leadership required to implement reforms. The key groups on which the government depends--the army, "the 14 families," and the church--vary in their attitudes, but all agree that some reform is necessary. The church, prodded by a representative of the Vatican, is pressing for changes but is thereby alienating the wealthy conservative class.

A new political crisis could arise at any time and might result in action by the army to avoid further political deterioration. A military junta would probably shortly transfer power to Osorio, who would then seek to legalize the regime in elections. Osorio, who is still widely revered by the "little people" of his country, would almost certainly attempt to implement more drastic reforms than he felt were possible during his 1950-1956 term.

25X1

PROSPECTIVE CHANGES IN FEDERATION OF RHODESIA AND NYASALAND

The publication on 11 October of the long-awaited Monckton Commission report on possible structural changes for the Federation of Rhodesia and Nyasaland will revive controversy and heighten London's dilemma of having to choose between African-nationalist and white-settler interests.

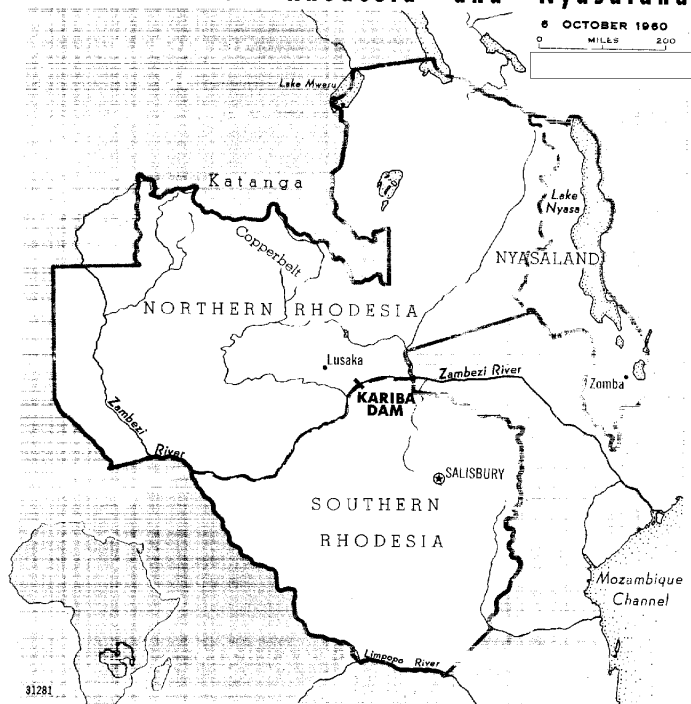
Within the past year London has accepted the fact of mounting African nationalism and attempted to increase African political responsibility rapidly over the protests of the white settlers, to whom it had long deferred. The British are not yet willing to "sell out" the settlers completely, however,

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and will try to mediate between antithetical positions at a constitutional conference which may be convened as early as December. The Macmillan government appointed the commission nearly a year ago to make recommendations concerning changes in the federal structure as the basis for a constitutional conference on political evolution toward greater independence from London. British officials have noted that cabinet policy will be heavily influenced by the report's suggestions, which apparently tend to favor African aspirations.

Federation of Rhodesia and Nyasaland

25X1

The federal Parliament convenes on 25 October to discuss the report. Federation Prime Minister Welensky has already protested provisions leaked to the press which reportedly propose that Northern Rhodesia and Nyasaland be free after five years to secede from the Federation, whose government is dominated by white settlers, thus depriving it of the extensive copper mines of Northern Rhodesia and the labor supply of Nyasaland. London now rules these territories through colonial governors but envisages rapid development of internal self-government by the African majority.

Secessionist sentiment already exists in the self-governing, white-ruled colony of Southern Rhodesia, and such reported provisions in the Monckton report as parity between Africans and white settlers in the Federation parliament could

lead the colony to leave the Federation. Meanwhile, the deadlock persists between London and Southern Rhodesian Premier Whitehead over his request that Britain renounce its reserve veto powers over Southern Rhodesian legislation affecting Africans. The British are not satisfied that various counterproposals--such as that for a Senate--would adequately protect African interests.

London has recently made various moves designed to bring about a more cooperative attitude among African nationalists. It has modified its long-standing position that there could be no constitutional changes for Northern Rhodesia before the federal conference by promising that talks on such changes would be held concurrently with the federal conference; on 27 September it released the last of the Nyasaland nationalists detained since the 1959 disturbances.

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Despite his cooperative approach at the Nyasaland constitutional conference in July, nationalist leader Hastings Banda may be unwilling to wait as long as five years for the right to secede. Disorders by discontented Africans may erupt if London does not adopt a policy more clearly favoring them against the Federation's white leaders.

The British appear to assume that the extent of internal opposition makes it impossible for the Federation to continue in its present form, but they are anxious to ensure at least some form of permanent economic association among the constituent territories and to see to it that any shift in interterritorial relations does not provoke major violence.

25X1

REPUBLIC REFERENDUM IN SOUTH AFRICA

The referendum in the Union of South Africa on 5 October in which the white electorate voted on the question of reconstituting South Africa as a republic has produced a narrow victory for Prime Minister Verwoerd's prorepublic Nationalist party. Verwoerd now has a mandate to press for an early change in governmental structure, with a local president instead of Queen Elizabeth as head of state. Enabling legislation probably will be passed in March or April 1961.

The Nationalists, who represent chiefly the Union's numerically predominant Afrikaner community, have long regarded the loosening of ties with Britain as a prime goal; they had previously hesitated to push the issue, however, in the face of the strong opposition of the large English-speaking minority. Verwoerd's decision to intensify the republic campaign apparently stemmed from a belief that Afrikaner solidarity was at a peak following the government's strong action in suppressing the racial unrest last spring, while the opposition was divided, discouraged, and weakly led.

The opposition's strong showing in the referendum, where it kept the winning majority to under 80,000 in a total vote of nearly 1,800,000, indicates that despite internal conflicts, the English community remains solidly opposed to the Afrikaners, and the deep split between the two groups has not been lessened.

As a result of the narrow margin of victory, Verwoerd may seek another mandate by calling for national elections early next year. With the benefit of considerable gerrymandering, the Nationalists already command a parliamentary majority of almost two-to-one; in an election in the near future, the opposition, which is still split internally on racial issues, probably would lose several more seats to the Nationalists, with the result that Verwoerd could claim overwhelming popular approval of his stand on the republic.

Establishment of a republic would raise the question to South Africa's relationship to the Commonwealth, whose members would be required to pass on the country's continued membership.

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Several African and Asian members--notably Ghana and Malaya--have been vocal in their opposition to the Verwoerd government's racial policies and might not approve South Africa's membership.

Although Britain would probably seek to mediate, determined opposition from the newer members could result in the republic being denied membership, the first such action in Commonwealth history. The

end of South Africa's Commonwealth association would presumably cause Britain to give up its role as apologist for South Africa in international forums and could also cost the country's industries about \$14,000,000 annually in Commonwealth trade. Nevertheless, Verwoerd has stated that the establishment of a republic will proceed, regardless of Commonwealth disapproval. [REDACTED]

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PART III**PATTERNS AND PERSPECTIVES****POLITICAL PERSPECTIVES IN TURKEY**

The military regime which seized power in Turkey on 27 May 1960 has embarked on a revolutionary reform program that may lead it to try to prolong its control of the government well beyond the term it has publicly assigned itself. National elections, which the ruling group on attaining power said would be held within three months, have been postponed several times, most recently for another year, and there is speculation that they may not be held for several years.

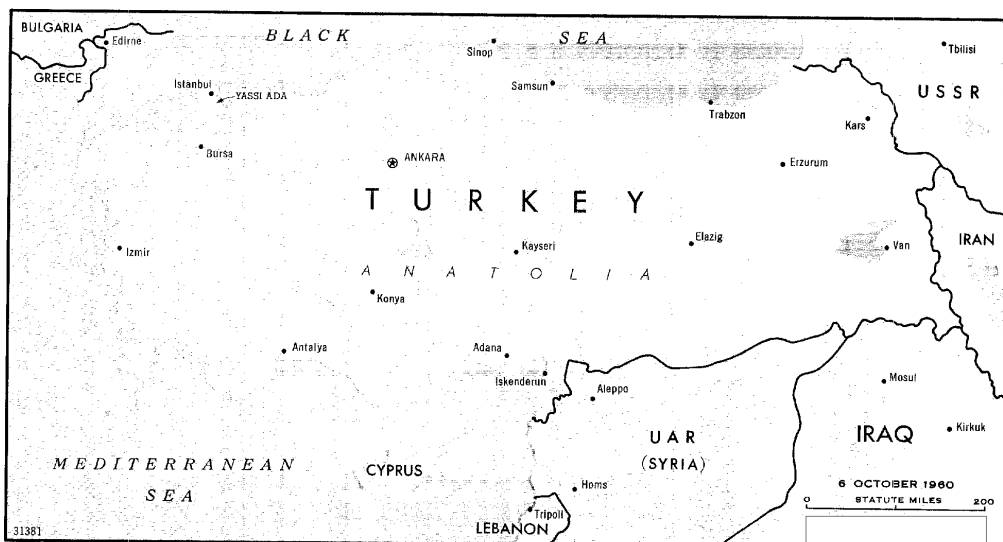
Committee of National Union

The Committee of National Union (CNU)--comprising 37 military officers, mostly colonels, lieutenant colonels, and majors --has established itself as the governing authority. The average age of the members is 39; the oldest is 65 and the youngest 31.

During the four months since the coup, the committee has sought to nullify or eliminate all potential sources of

opposition. It began a compulsory retirement program in the senior echelons of the armed services which speedily removed approximately 4,000 high-ranking officers from active duty. Those involved remain in the reserve, however, subject to government orders. Many of them apparently may join the civil service or serve as teachers in the national educational mobilization drive. Some have expressed bitterness toward the regime and constitute a breeding ground for formidable opposition.

Recently the CNU also dismissed 10 of the 13 civilian members of the original cabinet named following the coup. One effect of this move was to demonstrate the subservience of all government offices to the CNU. The ministers originally chosen were regarded as capable technicians without political ties, and their replacements, although of lesser ability, are probably more in sympathy with the regime's revolutionary program and methods of operation. Before the shake-up there were reports that the ministers had



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threatened to resign en masse because of their unsatisfactory treatment by the ruling committee.

The CNU, by its effort to restrict opposition--especially its authorization of revolutionary courts--has enhanced popular apprehension that the regime is concentrating its efforts primarily on defending its own existence by whatever means necessary. The massive prolonged effort to liquidate or discredit leaders of the previous government reinforces this impression.

The investigation of more than 1,000 leaders of the ousted regime, especially the 496 im-



BAYAR

prisoned on Yassiada in the Sea of Marmara, is still going on. The top leaders of the Bayar-Menderes government are to be tried before the Supreme Judicial Council; 76 persons thus far have reportedly been committed for trial, probably beginning in the next few weeks. Some will probably be executed, and these are likely to include ex-President Bayar, who tried to commit suicide on 25 September.

In recent weeks the CNU has assumed more the appearance of a full-blown revolutionary regime than merely a transitional authority. Its broad

program of social and economic reforms is long range in nature and will require continuity of government to accomplish. Moreover, the committee members feel they must maintain control until revolutionary action is "legitimized," as well as popularly accepted, and important future roles, not to mention physical security, are assured for themselves. The majority, however, still professes to be interested in eventual restoration of civil government.

Factions Within Ruling Group

Like other revolutionary regimes, the CNU faces the danger that disagreements may turn into schisms. At least two factions have emerged already. A group of young, ambitious, nationalistic officers, possibly including one fourth of the committee's membership, is led by Colonel Alparslan Turkes, and a larger, more conservative element is apparently led by Lt. Gen. Cemal Madanoglu. General Gursel, who was brought in on the planning just before the coup and was selected to head the ruling committee, apparently has emerged as a capable leader in his own right.

Turkes' withdrawal in mid-September as under secretary to Prime Minister Gursel appears to reflect the deepening cleavage and tension within the CNU.

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Outside Dangers

No significant organized outside opposition to the regime

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has been reported, although the CNU continues to be concerned about its apparent inability to attract enthusiastic support among the people. CNU members are traveling throughout the provinces explaining the background of the revolution and taking the popular pulse. They appear to be especially worried over a possible adverse reaction to the forthcoming trials of the Menderes officials.

There have been isolated acts of opposition, and anti-regime banners and posters have appeared. The CNU has admitted that nearly 3,000 persons have been investigated for antiregime activities and that 778 of these were arrested and 113 detained. According to two Turkish reporters who recently conducted surveys in western Anatolia, sentiment there for ex-Premier Menderes has reached "fever pitch," with some persons threatening to "rise against the government" if Menderes, who has assumed the aura of a martyr, is executed. Dissension within the local ranks of Menderes' Democratic party has apparently disappeared.

The Turkish Army itself is a potential threat to the regime. It now has a precedent for political action, despite its long tradition of aloofness from politics, and possible leaders of a new coup are available in

the large number of officers who were forced into retirement. The threat would be greatly enhanced if retired officers were to join in anti-regime efforts with disgruntled peasants, workers, small businessmen, or others who have complaints against the CNU.

Foreign Outlook

The CNU also controls foreign policy, despite the retention of professional diplomat Selim Sarper as foreign minister. Turkey's attitude toward the United States is being determined by a group of inexperienced men who basically feel they must detach themselves from the former regime's close association with Washington. This attitude sometimes approaches uncooperativeness in political and military matters. There has also been an increasing number of anti-American incidents, with some including threats of violence. In its effort to detach itself from the policy of the former regime toward the United States, the CNU may in effect promote the spread of anti-Americanism and encourage support for "positive neutrality."

In these efforts it is uncertain how long the regime, hampered by economic strains, can resist Soviet aid offers.

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Prospects

The next several months may well be crucial for the military regime. Despite its aggressive approach to some of Turkey's basic problems, the measures taken to consolidate its position and the popular reactions to the forthcoming trials and constitutional decisions may severely test Turkish stability.

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Dissension within the CNU, while quelled for the moment by the majority's apparent rebuff of Colonel Turkes, will probably smolder and continue to strain relations between the factions. This dissension is reflected in Turkey's diplomatic posts, in some cases hampering normal liaison because of suspicions, charges, and countercharges among Turkish personnel.

The situation may be expected to remain tense, at least until after the trial of the key political prisoners. A return to normalcy will be impossible until after national elections are held. In the interim the military regime will probably accelerate implementation of its broad reform program, and, in its search for financial assistance for this program, the CNU might accept aid from the Soviet Union.

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FRENCH LABOR AND THE FIFTH REPUBLIC

French labor unions have been in a relatively unfavorable position under the De Gaulle regime, and until well into 1959 were hesitant to press demands on the government. Since then strike activity has increased, but the government has ignored most union demands and is unlikely to change its basic policy of tight wage controls. The Communist leaders of the General Labor Confederation (CGT) are confident that despite labor's wariness of Communist political objectives, they have

laid a firm basis for broad joint action with the free--non-Communist--unions at some future date.

Labor and De Gaulle

The French wage earner benefited from extensive real wage gains in 1956 and early 1957, but inflation effectively nullified these gains before De Gaulle came to power in mid-1958. While living costs have been remarkably stable since then, the government's firm

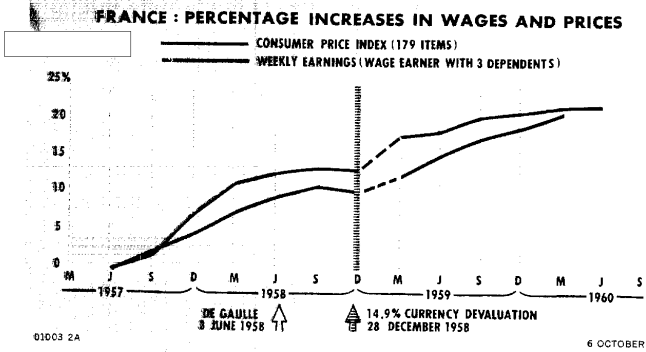
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to the government's economic austerity and fiscal reform program, and they maintained that the government's deliberate efforts to hold down consumer purchasing power were largely to blame for the reduced rate of economic expansion.

opposition to wage increases has led the trade unions to charge that the cost of the general French economic improvement has been borne largely by the wage earner.

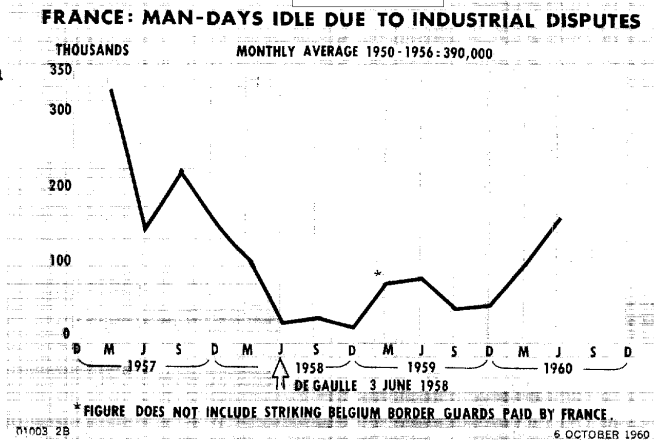
Organized labor has demonstrated little ability to press its claims against the policies of the new regime. Although the unions were generally apprehensive over the rightist forces which brought an end to the Fourth Republic, the CGT failed to rally support against De Gaulle from the two major free unions. Split ideologically and directly influencing only a minority of French labor, the unions were in no position to challenge the government in the face of the initial widespread confidence in De Gaulle. The Socialist-oriented Workers' Force (FO) and the Christian Workers' Confederation (CFTC) quickly adopted the outlook of their political counterparts and willingly cooperated with the new government.

As a result, there was exceptionally little strike activity until early 1959, when a reawakened militancy on the issue of reduced purchasing power became apparent. The three major unions found a growing area of agreement in their opposition

Finance Minister Pinay's insistence that wage increases be kept below productivity increases, combined with the reduced productivity growth rate throughout most of 1959, left little leeway for wage increases. Even the anticipated 5-percent growth rate for 1960, if the Pinay program is strictly followed, will not recoup for the workers the purchasing power lost since mid-1957.

The increasing strike activity is directed primarily against the nationalized industries and public services. The free unions, however, hesitate to go all-out in challenging the government, and the CGT, in view of its desire for labor unity, has not deemed such action expedient. Labor protests have taken the form of 24-hour and other nuisance strikes. Most of the wage agitation has been in the metallurgical industry--

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