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# CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE

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T H E   W E E K   I N   B R I E F

LAOS . . . . . Page 1

Both sides in Laos have accepted the Geneva co-chairmen's call for a cease-fire; however, agreement has not yet been reached on implementation procedures, and the fighting continues. The Communists apparently intend to procrastinate to enable the Pathet Lao forces to tighten their hold on the country in an effort to force **Vientiane** to accept terms which would ensure virtual Communist control of a coalition government. Communist forces now are believed capable of taking key Laotian towns following major new gains in the Vang Vieng area and north of Luang Prabang. Souvanna Phouma, acting in ever closer harmony with the Pathet Lao, continues to use the title of Laotian premier and has agreed to the establishment of full diplomatic relations with Communist China.

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FRANCE-ALGERIA . . . . . Page 4

The overwhelming strength of De Gaulle's popular backing in France played a major role in his victory over the French military insurrection of 22-25 April in Algeria, and will be interpreted by him as a new mandate to hasten a negotiated settlement of the six-year-old Algerian rebellion. The rebel Provisional Algerian Government (PAG) in Tunis showed concern that the insurrection might succeed, and now appears ready to move quickly toward negotiations. Meanwhile, the Paris government, using the emergency powers assumed by De Gaulle on 23 April, is pressing an energetic roundup of civilian as well as military participants in the insurrection and any others who may have indirectly aided it.

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CONGO . . . . . Page 5

The political conference at Coquilhatville has apparently failed following the walkout of Katangan President **Tshombé**. Although details concerning Tshombé's arrest are unclear, his detention may damage his prestige in Katanga and stimulate plotting among his opponents. A majority of the Congo's political leaders still appear anxious to resolve the long-standing political crisis

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Kasavubu's agreement to permit a return of UN forces to Matadi has improved relations between Leopoldville and the UN Command.

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CUBA . . . . . Page 7

Castro has accelerated his drive to round up all potential anti-Castro elements in Cuba. There are

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indications that Havana is conducting a purge to rid the government of elements which might turn against it in any new insurgent offensive. The Cuban Government is expected to stage an official victory celebration on 1 May which will be attended by delegations from many bloc and Latin American countries. Comment of Latin American officials on President Kennedy's 20 April address has been favorable, and government leaders in several countries have already stated that multilateral action to meet the Communist threat in Cuba must be undertaken soon.

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**BLOC STATEMENTS ON BERLIN AND GERMANY . . . . . Page 11**

Top-level Communist statements on Berlin and Germany over the past two weeks suggest that Moscow is preparing the groundwork for a formal proposal to renew negotiations on these issues. Khrushchev told Walter Lippmann on 10 April that the USSR would raise the German question soon, and an "Observer" article in Izvestia on 20 April said that "all reasonable time limits have expired" for the conclusion of a peace treaty and a revision of Berlin's status. The article reiterated that the USSR would conclude a separate treaty with East Germany if no agreement were reached on a treaty with the two Germanys; it mentioned no deadlines, however. East German party leader Ulbricht in speeches on 21 and 23 April also stressed the necessity of a peace treaty and the conversion of West Berlin into a demilitarized free city.

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**NUCLEAR TEST BAN NEGOTIATIONS . . . . . Page 12**

The chief Soviet delegate to the Geneva talks has indicated in press interviews and private conversations that Moscow will make no new compromise proposals to break the deadlock over vital aspects of the control system. He outlined three Soviet positions on which there could be no compromise: a maximum of three inspections annually in the Soviet Union, a maximum of 15 control posts on Soviet territory, and a tripartite council to administer the control apparatus. At the conference sessions, the Soviet delegation has sought to undercut Western objections relating to a possible Soviet veto on inspections by stating this issue would not arise in the tripartite council if there were an agreed annual quota of inspections.

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**NORTH VIETNAM'S POLITICAL AND ECONOMIC PLANS FOR 1961 . . Page 14**

North Vietnam's political plans for the coming year, as they were presented to the National Assembly last week, give high priority to the drive to unseat South Vietnam's President Diem. On the economic side, speeches at the assembly underscored the regime's intention to begin an industrialization program and to push the socialization of agriculture.

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**ANGOLA . . . . . Page 15**

Rebel activity in northwestern Angola is continuing, and logistic difficulties apparently are impeding Portugal's efforts to strengthen its security forces in the province. Unless order is quickly restored in the disturbed area, much of the coffee crop will be lost and the slump-ridden internal economy may break down. Angolan exile groups are continuing their competition for international support; several Communist-supported organizations from various Portuguese territories recently met in Casablanca to set up a coordinating body and Angolan People's Union leader Holden Roberto fears that this body will be able to seize the initiative from his group. [redacted]

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**JAPAN'S NEW SOURCES OF OIL . . . . . Page 17**

By exploiting its offshore oil concession in the Persian Gulf and expanding its purchases from the USSR, Japan will reduce its dependence on Anglo-American petroleum. These new sources probably will provide less than 6 percent of requirements this year, but may supply as much as 35 percent by 1963. Japan's need for petroleum is rapidly expanding; imports rose 41 percent in 1960. [redacted]

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**CONFUSION IN INDIAN COMMUNIST PARTY GROWS. . . . . Page 18**

The recent congress of the Indian Communist party not only failed to resolve the differences between party leaders but apparently also intensified the sense of frustration and confusion among all factions. While neither the extreme "nationalists" nor the moderate leadership gained a clear victory, the limited results of the congress constituted a setback for the left-wing extremists and indicated that the party will continue to be guided by the "peaceful, parliamentary" policy adopted in 1958. [redacted]

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**REBELS SURRENDER IN INDONESIA . . . . . Page 19**

The surrender since early April of some 8,000-10,000 armed rebels in North Celebes has virtually ended the three-year-old insurgent movement in that area. In Sumatra, an estimated 9,300 insurgents are still operating. The decision of the North Celebes rebels to surrender apparently resulted from their inability to obtain outside assistance and from the government's offer of amnesty. [redacted]

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**NEW GOVERNMENT IN BELGIUM . . . . . Page 20**

Belgium's new Social Christian - Socialist coalition, which has extensive support, must cope with pressing economic problems such as fiscal reform and economic growth. Foreign Minister Spaak is expected to exercise strong control over foreign and defense policies. While the new government's policies toward the Congo and the UN may be more liberal and cooperative than those of its predecessor, the Belgians are increasingly resentful of being blamed for all the confusion in their former colony. [redacted]

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**THE ECONOMIC OUTLOOK IN VENEZUELA . . . . . Page 21**

The Venezuelan Government's failure to check the country's three-year economic decline leaves President Betancourt increasingly vulnerable to attacks from both the right and the left. Influential business and professional groups have become increasingly critical of the administration's ineffectual financial measures and of the adverse effects of its restrictive policies toward the foreign-owned oil industry. [redacted]

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[redacted] Pro-Castro factions again displayed their potential for promoting unrest by staging several recent demonstrations in support of the Cuban regime. [redacted]

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**ARGENTINA . . . . . Page 22**

President Frondizi's removal of Economy Minister Alsogaray, who has been Argentina's virtual economic czar and the main force behind the US-backed stabilization program, was probably intended primarily to counter popular discontent over the drop in real wages and industrial production. Frondizi's public line is that the action merely signified the completion of the initial phase of the stabilization program and that the program would be completed with new emphasis on expanded economic development. [redacted]

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**WEST INDIES FEDERATION . . . . . Page 23**

At the West Indies constitutional conference opening in Trinidad on 2 May, Jamaica's Premier Norman Manley will press for adoption of his provisions for a weak federation; he has threatened to withdraw from the federation if his demands are not met. Since Jamaica has over half the federation's population and accounts for the greater part of its economic strength, a compromise is likely. The conference is a preliminary to talks later in the month in London to set an independence date in 1962. [redacted]

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**SPECIAL ARTICLES**

**TUNISIAN PRESIDENT BOURGUIBA . . . . . Page 1**

Habib Bourguiba, who is soon to visit Canada, the United States, and Britain, is Tunisia's outstanding political leader; he aspires, however, to recognition as a prominent African statesman, especially as leader of the Maghreb (North Africa). Sympathetic to the West and firmly anti-Communist, he has felt it necessary and wise to yield to internal pressures and to adopt a policy of nonalignment. He has established diplomatic relations with the USSR, Czechoslovakia, and Poland.

[Redacted]

**COMMUNIST CHINA'S INFLUENCE IN NORTH KOREA . . . . . Page 5**

North Korea has supported Communist China on a number of issues in the Sino-Soviet dispute. As a nation determined to industrialize at maximum speed and as a country with unsatisfied territorial claims, North Korea was strongly attracted by China's "leap forward" and commune programs in the fall of 1958 and more recently has sided with Peiping in opposing Khrushchev's policy of relaxing international tensions. Developments during and after the Moscow conference of world Communist leaders last November, including North Korea's explicit recognition of Communist China as co-leader of the Communist bloc, confirm the existence of strong bonds between these two Asian Communist countries.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**WEEKLY REVIEW**LAOS**

All parties in Laos--the Boun Oum government, Souvanna Phouma, and the Pathet Lao-- have accepted the appeal of the Geneva co-chairmen for a cease-fire, but agreement has not yet been reached on the time or place for negotiations to arrange for implementing machinery.

Souvanna and Kong Le, respectively, have proposed political and military talks with representatives of the "Savannah group" to begin in enemy-held Xieng Khouang on 28 April. The pre-emptory tone of these proposals, which were issued in the name of the "Laotian government," and the suggestion of an obviously unacceptable site may be for purposes of maneuvering, but could also be intended to stall negotiations.

Vientiane has issued a declaration calling for a cease-fire to be effective at noon on 28 April, and General Phoumi has proposed a meeting of opposing military leaders in Luang Prabang on the same date to discuss necessary arrangements. Vientiane's step, delayed by Phoumi's desire to avoid an appearance of weakness, should help to pin down Communist intentions. However, even if the Pathet Lao accept, various pretexts could be used for dragging out the negotiations, thereby enabling the Communist forces to further consolidate their position.

Kong Le - Pathet Lao forces are continuing to apply pressure

against Phoumi's forces on several fronts. On 23 April, government troops withdrew from Vang Vieng, north of Vientiane on Route 13. Enemy pressure now is building up against new defensive positions hastily prepared by government forces below Vang Vieng at a point about 45 miles north of Vientiane. Meanwhile, enemy attacks continue against government blocking forces north of Phou Khoun junction. On 26 April, after several days of enemy artillery fire, government troops abandoned Muong Sai, some 60 miles north of Luang Prabang.

South of the Plaine des Jarres, Kong Le - Pathet Lao forces are pressing mopping-up operations against pockets of Meo guerrilla forces. In central Laos, the situation remains critical, although strong enemy forces located 15 miles east of Thakhek so far have not pressed their advantage against generally weak government defending forces.

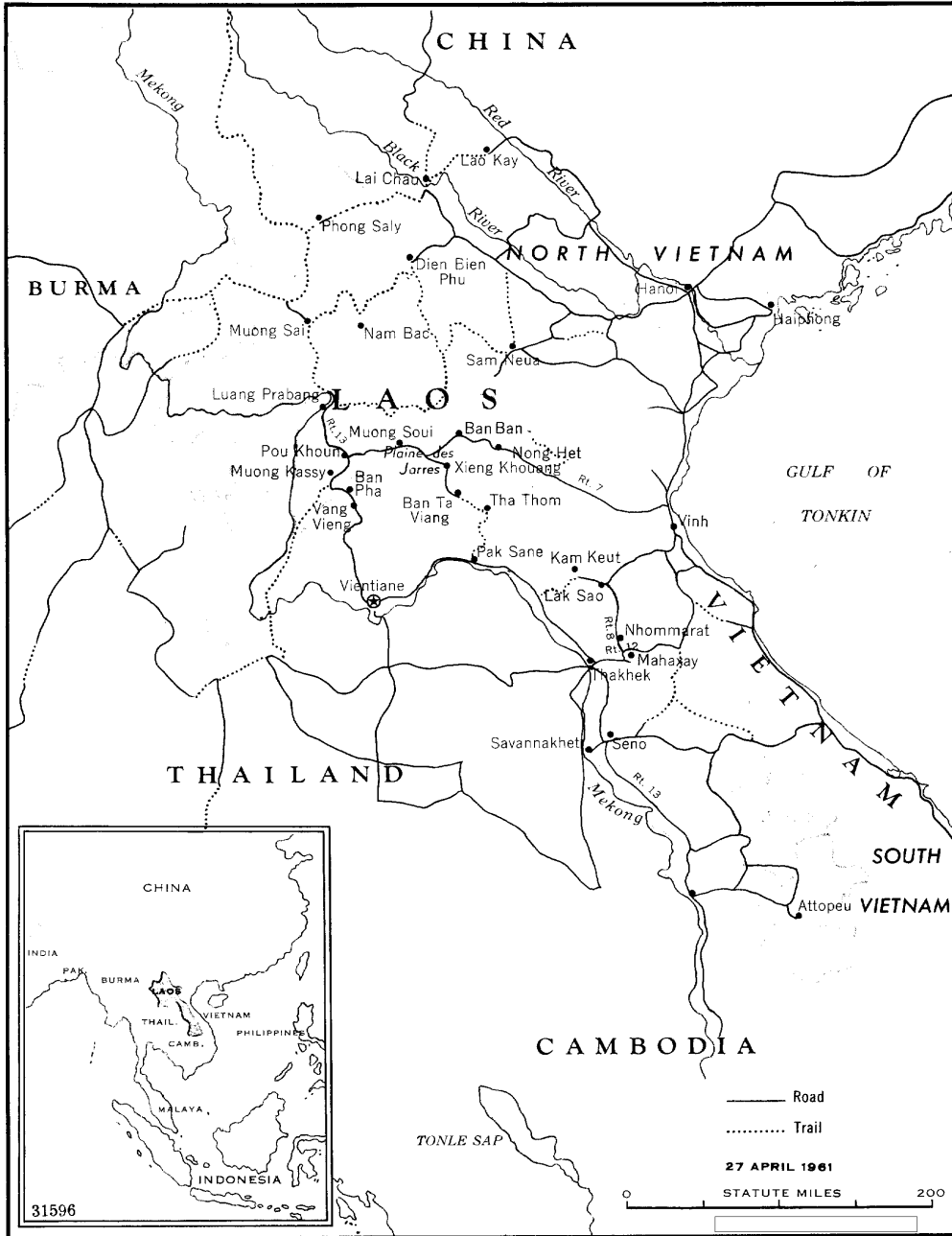
General Phoumi believes the enemy objective is to capture such key centers as Luang Prabang, Vientiane, Thakhek, and Pak Sane before a cease-fire is implemented. Since such moves would risk Western intervention, it seems more likely that the enemy will confine its efforts to capturing key approaches to these centers as a means of strengthening its bargaining position. With the Laotian Army near collapse, however, the enemy forces may

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be tempted to press their advantage, which could lead to a request from Vientiane for external assistance.

Souvanna Phouma, on the final lap of his world tour, arrived in Hanoi on 26 April. Since his Moscow visit, he has traveled in the company of Pathet Lao leader Souphannouvong, his half-brother. Their growing rapport has begun to blur the distinction Souvanna formerly drew between his "government" and the Pathet Lao. Souvanna's statement proposing the immediate formation of a provisional coalition government to represent Laos at the forthcoming Geneva conference suggests he may proceed to enlarge his "government" with Pathet Lao representatives regardless of Vientiane's stand.

In joint communiqués issued in Moscow and Peiping, Souvanna endorsed Communist positions on such issues as peaceful coexistence, Cuba, disarmament, and the liquidation of colonialism.

The communiqué issued in Peiping noted his agreement to exchange ambassadors with the Chinese Communists. The Chinese also agreed to build a road for the Laotians "to facilitate communication between the two countries." The location of this road was not specified, but the Chinese may be planning a link between northern Laos and China via North Vietnam. Chinese laborers reportedly were working in February and early March on a section of road between the Chinese border and Lai Chau in North Vietnam.

In a statement on 26 April Peiping voiced full support for a cease-fire before convocation of an international conference and announced its decision to send a delegation to Geneva headed by Foreign Minister Chen Yi. Peiping expressed agreement with the Soviet position that the ICC could exercise the necessary supervision and control over a cease-fire "pending the decision of the international conference."

Peiping's statement also suggested some of the initial positions which the Communists will probably take in the cease-fire negotiations. The Chinese declared that to "bring about" and "ensure" a cease-fire, the US, Thailand, and South Vietnam must "immediately" stop assistance to Phoumi and withdraw their military personnel and equipment. Peiping, which claims that Taipei's recent effort to withdraw Nationalist irregular forces from the Burmese-Laotian-Chinese border area was only a "sham," also insisted that the irregulars must be disarmed and removed from Laos at once.

The Soviet Union probably feels that if negotiations are undertaken between Phoumi's forces and the Pathet Lao faction on the question of a cease-fire, the Western powers will attend the conference even if the cease-fire has not been formally signed. The USSR probably believes that Asian neutralist countries which are to attend the conference will bring strong pressure to bear on the Western powers to convene the conference on 12 May as scheduled, short of an all-out Pathet Lao attack on Luang Prabang, Vientiane, or a similar major offensive. 25X1

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****FRANCE-ALGERIA**

The overwhelming strength of De Gaulle's popular backing in France played a major role in his victory over the French military insurrection of 22-25 April in Algeria, and will be interpreted by him as a new mandate to hasten a negotiated settlement of the six-year-old Algerian rebellion. The rebel Provisional Algerian Government (PAG) in Tunis reacted cautiously during the insurrection, and now appears ready to move quickly toward negotiations. Meanwhile, the Paris government, using the emergency powers assumed by De Gaulle on 23 April, is pressing an energetic roundup of civilian as well as military participants in the insurrection and any others who may have indirectly aided it.

The PAG reportedly was ready late last week to issue a statement of its willingness to open negotiations on the understanding that parallel talks would not be conducted with its rival, the Algerian National Movement (MNA), but held up the statement so as not to hamper De Gaulle during the insurrection. The PAG leadership also showed its great concern over the possibility that the insurrection might succeed by sending word to Paris that it would be receptive to any suggestions on steps it might take to oppose the Algiers junta. Although Paris and the PAG still remain divided on many substantive issues, De Gaulle's firm action against the "French Algeria" elements will give the

rebels greater confidence in his good faith.

The collapse of the insurrection "burst the abscess" of opposition to De Gaulle's Algerian policy. The road is open for him to pursue that policy to its logical end--independence of Algeria in some form. In the meantime, however, he must decide whether the benefits of stepping up military operations against the National Liberation Front as a means of reuniting the French Army outweigh the danger that such a step might jeopardize the favorable atmosphere for negotiations.

The US Embassy in Paris comments that French public opinion rallied to the government in a more determined way than in either May 1958 or January 1960. The normally apathetic public appears to have been galvanized by the government's dramatic demonstration--through such measures as arming civilians and mobilizing loyal reserve units--of its intention to counter any insurgent paratroops assault on Paris.

Although reported gravely concerned at first over the reliability of the army and air force units in France and Germany, the government apparently had no reason to doubt the loyalty of the navy. The insurgent generals' main basis of support came from units of the

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two paratroop divisions in Algeria. Most of the military units in Algeria as well as elsewhere, however, are largely composed of conscripts, which may have influenced their officers' support of Paris.

De Gaulle is publicly committed to bring the leaders of the insurrection to trial for treason, and the government is pondering what to do with the two mutinous paratroop divisions which have done much of the army's fighting in Algeria. A fairly extensive purge of unreliable civilian government employees and a "settling of accounts" with others who assisted or sympathized with the insurrection are expected and increase the danger of De Gaulle's creating a new source of bitterness toward his regime.

Although emergency powers will remain in effect indefinitely, an appearance of "normal" political activity will be provided by parliament, which reconvened on 25 April for its regular spring session. Other

political activity--several party congresses and local elections are scheduled for the next few weeks--is also expected to proceed without interference. The pro-Gaullist groups will probably find their position most strengthened as a result of the enthusiasm generated by the 22-26 April events, even though most of the major political groups conducted themselves creditably. The labor unions were far more active than the parties in the crisis.

The non-Communist unions succeeded in avoiding a "joint action" label in the 10,000,000-worker one-hour demonstration on 24 April, which the Communists also sponsored. Communist party leaders supported De Gaulle without actually admitting it. In urging that his government take all measures to repress the rebellion, they can later claim that they supported not De Gaulle but the restoration of order and the suppression of a "fascist" exploit.

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**CONGO**

The abortive political conference at Coquilhatville has again demonstrated Katanga President Tshombé's capacity to block courses of action in the Congo of which he does not approve. At the same time, his walkout at the conference--ostensibly in pique at Kasavubu's improved relations with the UN--dramatizes his isolation from other Congolese spokesmen. Most of the other local leaders appear anxious to resolve the

Congo's long-standing political crisis and willing to surrender a degree of their "sovereignty" to a moderate central government.

General annoyance at Tshombé's tactics appears to have led to his being "detained" by Congolese Army soldiers as he prepared to leave Coquilhatville. The army reportedly believes that Tshombé, having come to the conference, should stay in Coquilhatville until it is over.

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The Gizenga regime is not represented at Coquilhatville, but certain of Gizenga's followers appear doubtful of the ability of Orientale Province to exist apart from the rest of the Congo and uneasy about their isolation from the main stream of events.

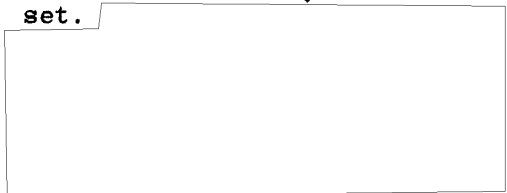
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Tshombé's attempt to dictate to the conference appears to have stemmed from his having played a key role in pressing for a Congo confederation at the March conference held at Tananarive. Post-conference interpretations of the Tananarive resolutions, however, revealed that most participants were prepared to go further than Tshombé in surrendering power to a central government.

Within Katanga, popular support for Tshombé has diminished as a result of his extensive reliance on Belgian advisers and foreign mercenaries. His harassment of the UN, moreover, has caused some Belgians to question whether he is not more of a liability than an asset.

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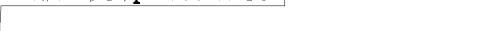


Tshombé, who has largely ignored criticism of his regime as pro-Belgian, has granted the South African - owned General Mining and Finance Corporation mineral rights in an area comprising 8,000 square miles south of Elisabethville. The grant-- which involved revoking exploratory rights previously granted to Union Miniere--is the first to a non-Belgian firm in recent years.

With Congolese President Kasavubu playing a more conciliatory role than in the past, the Leopoldville government has moved to improve its relations with the United Nations. On 26 April the UN announced that the Kasavubu regime had agreed to the return of UN troops to the supply port of Matadi for the first time since the eviction of the Sudanese contingent in early March. The first UN personnel to return to Matadi are expected to be a small group of Nigerian police. It remains to be seen whether the improved climate between Kasavubu and the UN Command will survive the return of senior UN representative Dayal, scheduled for late April or early May.

Dayal has charged that the Congolese Army has been the principal instigator of disorders in the Congo. However, the American Embassy in Leopoldville, in a commentary on the army, observes that discipline lately has considerably improved, and that when a USIS employee was roughed up by Congolese soliders on 9 April the army took prompt action to discipline the individuals responsible.

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## CUBA

The Castro regime followed up its victory last week by rounding up all suspected "counterrevolutionaries" in Cuba.

25X1 [redacted]  
 25X1 [redacted] the Cuban Government has arrested about 20,000 persons. There are also indications that the government is conducting a vigorous purge of its own administrative machinery to rid itself of elements which might turn against it in any new insurgent offensive.

25X1 Tension remains high in Havana and elsewhere in Cuba.

25X1 [redacted] a large part of the populace in Havana was armed and in a fanatical mood.

Fidel Castro's comments on 23 April on "US backing" of the insurgents were rather mild in comparison with earlier harangues delivered following relatively minor incidents. He threatened, however, that any future "direct US aggression" against Cuba would unleash a "conflagration of incalculable proportions," and he implied that the lives of US citizens in Cuba and elsewhere in Latin America would be in danger if Cuba were again invaded. He also implied that the prisoners captured in the recent fighting--1,087, according to the regime--would be executed unless the US halted all aid to anti-Castro elements.

The government is proceeding with plans to stage elaborate victory celebrations on May Day in Havana and Santiago. Observers from bloc countries and representatives of pro-Castro groups throughout the hemisphere are expected to attend. Government leaders have promised that the May Day events will constitute Cuba's reply to the US State Department's recent "white paper" on Cuba. Jesus Soto, leader of the government-controlled Cuban labor confederation, said on 24 April that Cuba on 1 May would be proclaimed "the first socialist democratic republic in America," according to a French press agency dispatch from Havana. Soto reportedly added that such a proclamation could not have been made a year ago because of "reaction and divisionism" in Cuban labor unions, but that today "power is in the hands of the workers and peasants."

At the UN

The General Assembly on 21 April approved the seven-power Latin American resolution on Cuban charges of US aggression after eliminating the key operative paragraph exhorting OAS members to assist in achieving a peaceful settlement. The resolution as passed calls on all UN members to take such peaceful action as is open to

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them to remove the existing tension. The Mexican draft resolution interdicting any aid to "promote the civil war in Cuba" was rejected for lack of a two-thirds majority.

Latin American Reactions

Repercussions of the landings in Cuba continue throughout Latin America. Castro sympathizers--primarily Communists and pro-Communists--have staged new demonstrations in several countries, although of a generally milder nature and with fewer participants than those immediately following the landings. Some of the demonstrations have been broken up by anti-Castro groups, as occurred in Pernambuco, Brazil, on 22 April; others, such as one attempted in Bogota on the same day, have been prevented by local security forces.

Initial Latin American reaction to President Kennedy's address of 20 April to the American Society of Newspaper Editors has been very favorable. Official comment--and in some cases that of a majority of the local newspapers--in Argentina, Colombia, Costa Rica, Ecuador, Honduras, Panama, Paraguay, and Peru has hailed the message and has expressed support for early multilateral action to meet the Communist threat in Cuba.

The Brazilian foreign minister attempted to explain President Quadros' equivocal attitude on Cuba by emphasizing Quadros' dependence on public support for the stringent do-

mestic financial measures he has planned. The foreign minister, speaking informally, suggested that the best solution for the problem of Brazil's position on Cuba would be for the Brazilian President to meet with President Kennedy.

On 21 April, Costa Rican President Echandi instructed his representative at the Organization of American States (OAS) to offer a resolution proposing asylum in the Latin American countries for the political prisoners in Cuban jails. While such a resolution probably would have widespread support among most OAS members, it would probably be rejected by Castro, who consistently has attacked the OAS as a "tool of US imperialism."

Echandi and Panamanian President Chiari, who is motivated primarily by a desire to defend his own government against pro-Castro forces agitating for a revolution in Panama, agreed in a meeting on 22 April that their countries' diplomatic missions in Havana should be kept open as a refuge for those fleeing persecution.

On 24 April the Honduran Government of President Villeda Morales--who faces perhaps the most active pro-Castro forces in Central America but is personally a strong anti-Communist of the liberal left--became the eighth Latin American regime to break or suspend diplomatic relations with Cuba.

The strongly anti-Castro Ydigoras government of Guatemala

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was subjected to radio attack on 19 April by former President Arbenz--now an exile in Havana--and to Communist-led pro-Castro demonstrations on 18 and 19 April which led to three deaths and a number of wounded.

In Mexico, the administration of President Lopez Mateos appears intent on emphasizing its continued support of the aspirations of the Cuban revolution, apparently believing that if the Cubans are left alone they will eliminate Castro and Communist influence. In view of Lopez' statements to this effect, however, radical student agitators reportedly cannot understand why he has dispersed the sizable pro-Castro demonstrations organized by the students.

Bloc Reactions

Moscow has depicted the failure of the Cuban invasion as a major blow to US prestige but has warned that the Cuban situation is still dangerous. In a second letter to President Kennedy on 22 April, Khrushchev sought to establish the impression that the strong position taken by the USSR was a key factor in turning back the rebel effort to overthrow the Castro regime.

As in his previous letter and the Soviet Government statement of 18 April, Khrushchev carefully avoided committing the USSR to any specific measures in support of the Castro regime. He repeated his earlier warning, however, that "things cannot be done in such a way that in one region the situation is made easier and the conflagration dampened, and in another area a new conflagration is started." This warning is calculated to warn that the USSR will retaliate against US moves in Cuba by applying pressure on Western positions in other parts of the world that are more vulnerable to Communist power.

Khrushchev's reference to the US presence at the Guantanamo base "against the clearly expressed wish of the Cuban people and government" apparently was intended to serve notice that the USSR would strongly support any Cuban demand that the US relinquish this base.

Soviet propaganda has continued to develop the thesis of US responsibility for the attack on Cuba, stating that the interrogation of rebel prisoners confirms the US role in training and equipping the invading force. Several bloc commentators have observed that recent events in Cuba prove the correctness of the assessment of the Moscow conference last November that the imperialist "export of counterrevolution" is a primary source of world conflict but that the socialist countries are strong enough to rebuff the imperialists.

Chief Soviet delegate Zorin declared at a news conference at the UN on 26 April that the USSR was prepared to come to the aid of Cuba if it is attacked. In reply to a question Zorin said that the Soviet offer to "extend assistance" to Cuba was given more seriously than the British pledge of help to Poland prior to World War II. Zorin's remarks do not go beyond earlier Soviet statements of support. The Soviet leaders probably feel nevertheless that, with the failure of the rebel landings, they can now comment more freely.

Western European Reaction

While press and official opinion in Western Europe has shown very little sympathy for the Castro regime and considerable understanding of the US position in regard to it, the consensus is that the failure of the rebel movement to overthrow Castro is a serious blow to US prestige. West German

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Foreign Ministry officials have expressed concern to the US Embassy in Bonn that Castro's enhanced prestige will strengthen pro-Castro groups in other Latin American countries, and French officials have told the US ambassador in Paris that the US should have used "all necessary measures" to follow through on the plan to oust Castro. The Austrian Government rejected a Soviet request that it issue a statement condemning "US intervention" in Cuba, replying that it accepted President Kennedy's statement that the US did not intervene.

A senior official of the British Foreign Office told a US Embassy representative on 24 April that London is sympathetic with the US in its problem over Castro and believes that his eradication would be desirable. He believes that last week's events are likely to make Khrushchev all the more cocky and probably harder to deal with on other questions. He added that the reaction in Latin America, according to British reports, had been "rather better than one might have expected," and said he "had been impressed" by Canadian Prime Minister Diefenbaker's statement to Parliament condemning Castro.

Asian-African Reaction

The Arab world reacted with almost universal condemnation of the Cuban invasion, and its collapse has been hailed in the press and among the general public of many countries of the area as a victory over American "imperialism." The UAR's propaganda media have been unrestrained in denouncing the invasion as American aggression, comparing it to the tripartite action during the Suez crisis, and have liberally salted their criticism with vicious personal attacks on

President Kennedy. In Iraq, anti-Communist and anti-Qasim elements who equate Castro with Qasim feel that the Cuban failure has had a drastic effect on US prestige.

Ghanaian President Nkrumah and Guinean President Touré sent congratulatory messages to Castro following the latter's victory over the insurgents, and press coverage of the Cuban invasion has been heavily slanted against the US in both countries.

Southeast Asian comment on the collapse of the anti-Castro invasion has included official statements of "concern" from some government leaders. Press coverage has ranged from non-committal factual reporting to strong criticism of the US. The press in Thailand and the Philippines, however, has solidly backed the anti-Castro revolutionaries. 25X1

Indonesian reaction was relatively restrained, probably because of President Sukarno's visit to Washington. The Indian press continues critical of the US role in the Cuban episode, but the US Embassy comments that public reaction has been surprisingly mild in comparison with that which followed the Lebanese landings.

In South Vietnam, the head of the security service is reported very discouraged by the failure of the landings, saying he did not see how either Laos or South Vietnam could hope to obtain strong support from the US if that country could do nothing to change the situation in Cuba, which is much closer. Similar reactions were observed in Greece and Iran. 25X1

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****BLOC STATEMENTS ON BERLIN AND GERMANY**

Statements by Soviet and East German leaders over the past two weeks suggest that the bloc is preparing the way for a formal diplomatic initiative to renew negotiations on the German and Berlin questions. Moscow took advantage of the tensions over Cuba and Laos to issue a pointed reminder to the West that it still considers these questions priority issues.

Responding to the communiqué issued by President Kennedy and Chancellor Adenauer, Moscow published an authoritative "Observer" article in Izvestia on 20 April which stressed the urgency of a German peace settlement and a revision of Berlin's status. Commenting on the communiqué's references to self-determination for Germany, the article repeated the familiar proposals for a peace treaty with East and West Germany, the creation of a free city in West Berlin, and the formation of a German confederation. "The most sensible thing," it stated, "is to recognize that there exist the German Democratic Republic, the German Federal Republic, and West Berlin, whose status demands a special definition, since it is situated in the territory of the GDR and all its communications run through this territory."

Izvestia reiterated Khrushchev's threat to sign a separate peace treaty with East Germany and warned that the Soviet Union "cannot delay it any longer because all reasonable time limits have elapsed." At the same time, however, it appealed to Bonn to take the initiative in order to provide "a weighty word" on the question of a peace treaty.

Moscow also sought to focus attention on the peace treaty question in a statement, given the British on 26 April, protesting the proposed use of facilities in the UK for the West German forces. The statement warned that British policy sharpened tensions and made it more difficult to conclude a German peace treaty.

In an interview with Walter Lippmann on 10 April, Khrushchev stressed his intention to raise the German question soon. Lippmann received the impression, however, that the Soviet leader was not thinking of any immediate action. In explaining the various alternative solutions, Khrushchev appeared to emphasize an interim or temporary agreement on Berlin as the most likely. He said a peace treaty with both Germanys was the ideal solution, but acknowledged that the West would not be likely to accept this.

As a "fall-back" position, Khrushchev referred to the interim agreement as proposed by the USSR at the Geneva foreign ministers' conference in 1959. Such a solution, however, would be strictly limited in time and clearly conditional on the lapse of Western occupation rights at the end of the interim period. According to Lippmann, Khrushchev mentioned a period of two to three years, which may indicate that Moscow will extend its earlier formal proposal for a two-year agreement.

As a third alternative, Khrushchev repeated the threat to conclude a separate treaty with the East Germans, transfer to them controls over Allied access, and use force to oppose

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any Western attempts to reopen access rather than submit to East German controls.

In speeches on 21 and 23 April, East German party leader Ulbricht also called for the conclusion of the "long overdue" peace treaty, which he described as necessary to confirm existing frontiers, establish a free city in West Berlin, and settle the international relations of the two German states. He warned that "in the long run" the East German regime did not intend to tolerate the use of West Berlin to subvert and corrupt East German citizens or to wait for a peace treaty until Bonn had completed its nuclear rearmament.

Ulbricht declared, however, that access to West Berlin could be guaranteed by means of "normal" treaties between East Germany and the demilitarized free city of West Berlin and other

states interested in transit traffic. Neither speech, however, gave any indication of imminent action against Berlin.

The increased public attention to the Berlin and German issues was explained by a Soviet diplomat as necessary to keep world public opinion from coming to believe that Moscow was satisfied with the existing situation. The secretary general of the Soviet Ministry for Foreign Affairs told a Western ambassador in early April that these issues were very difficult and that it would be necessary to proceed gradually in seeking a solution. This line, together with Khrushchev's remarks to Lippmann, suggests that Moscow still prefers to negotiate a solution rather than provoke a new crisis by unilateral action.  25X1

**NUCLEAR TEST BAN NEGOTIATIONS**

Statements by chief Soviet delegate Tsarapkin at the nuclear test ban talks suggest that Moscow intends no major moves on the basic issues at the conference. In reviewing the month of negotiations since the talks resumed on 21 March, the US delegation notes that the Soviet delegation not only has maintained its position but has appeared to be under no pressure to make progress and has given no indication that future concessions are planned.

Tsarapkin confirmed this analysis in an interview with Radio Moscow on 19 April and in an interview with the French news service on 24 April. He claimed that the USSR had offered compromise proposals on all the unresolved questions

of the treaty and that further progress would depend on the attitude of the Western powers.

Tsarapkin listed three Soviet positions on which there could be no compromise: the maximum number of annual inspections in the Soviet Union would be three, as opposed to the Western proposals for 20; the maximum number of control posts on Soviet territory would be 15, rather than 19 as proposed by the West; and the composition of the control system's administration would have to be on a tripartite basis, with one Soviet, one Western, and one neutral representative.

Tsarapkin also criticized the Western draft treaty introduced on 18 April for being

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presented on a take-it-or-leave-it basis and blending unacceptable provisions with some reasonable ones. He took a similar over-all negative approach in a private conversation with the chief British delegate on 21 April. Reviewing all the basic issues, Tsarapkin showed no change of position. He emphasized the Soviet proposal for a tripartite administrative council and claimed that it would be bound as much by treaty provisions as the single administrator proposed by the West.

In the conference sessions, the Soviet representative has refused to negotiate any of the new provisions in the Western draft treaty and instead has reiterated previous Soviet position. On 20 April he disregarded US questioning on the functioning of the Soviet-proposed tripartite council and instead reaffirmed the USSR's position on the scientific criteria for determining what detected events should be given an on-site inspection. He accused the West of trying to create a pretext for breaking off negotiations by allowing an accumulation of disagreements which he said could be easily solved.

At the following session, Tsarapkin made no effort to respond to Western statements concerning on-site inspections but took up the issue of the staffing of control posts. He used this issue in an attempt to undercut Western objections to a tripartite administrative council. Describing the Soviet proposal for staffing the control posts as preserving "equality" among the powers and operating "automatically," Tsarapkin contended that Western fears that the three-member administrative council would

bar effective control measures were groundless.

Prior to this statement, at the conference on 19 April, he had also sought to undermine Western criticism of the veto aspect of the tripartite council. He said that the question of a veto over inspection would not arise if agreement were reached on a quota of inspections and on the scientific criteria for determining which detected phenomena would be inspected. He added that an inspection team would be sent by the control commission when demanded by one of the three powers. On 25 April, Tsarapkin repeated the same general arguments and denied that the tripartite council was a demand for re-establishing the veto power. He evaded the question of whether voting in the council would have to be unanimous on all questions.

Moscow's initial reaction to the French atomic test on 25 April contained no indication that the Soviet leaders plan to use this issue as a pretext for breaking off the negotiations. Soviet commentary has been confined to low-level propaganda charges that the test was a challenge to world opinion and upset an "agreement" on ending nuclear testing. At Geneva, Tsarapkin evaded journalists' questions and merely referred to his statements of 21 March, when he issued a "serious warning" as to the consequences of French testing on the negotiations. In his 19 April interview with Radio Moscow, however, Tsarapkin warned that if France continued to test, a "treaty may not be signed at all" since further French testing would make a treaty "actually useless."

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****NORTH VIETNAM'S POLITICAL AND ECONOMIC PLANS FOR 1961**

The North Vietnamese National Assembly session which ended on 20 April devoted major emphasis to the theme of Vietnamese reunification. It also paid considerable attention to Hanoi's economic achievements and plans. The assembly meets twice a year to rubber-stamp decisions of the party hierarchy and is used as a forum for announcing and expounding major policies.

In his opening-day round-up of developments in domestic and foreign affairs, Premier Pham Van Dong stressed the regime's primary external policy objective: South Vietnam. "To reunify the fatherland," said Dong, "is the right of the Vietnamese people, their own affair. No foreign country is permitted to encroach upon the right or interfere in this affair."

At last September's party congress Hanoi dropped the formulation that reunification will be "a long, arduous, and complicated task" and announced that the "immediate task" was to overthrow South Vietnamese President Diem and form a "coalition government" in the South with which the Communists could do business. To this end, Hanoi has publicly avowed its intention to unseat Diem by a combination of political agitation and paramilitary action.

A National Front for the Liberation of South Vietnam was formed last December. This organization now has its own news agency and an affiliated youth corps. Hanoi, hoping to attract non-Communist opposition groups in the South, has taken pains to dissociate itself from the front, which is depicted as an indignant anti-Diem movement.

Paramilitary activity in the south has also been stepped

up since last 1959. The Hanoi-directed Viet Cong guerrilla organization now controls or influences much of the area south of Saigon, where its members are most heavily concentrated; in recent months they have stepped up activity farther north. Hanoi is clearly gratified by the results so far of its efforts. As one speaker at the National Assembly sessions put it, 1960 was a "year of unprecedented failure for the US-Diem regime," which had been "weakened and isolated."

Pham Van Dong also endorsed the declaration issued at the Moscow conference last November. Like other Hanoi spokesmen, he generally maintained a careful neutrality on issues in dispute between Moscow and Peiping. He did, however, emphasize those aspects of the document which are most applicable to his regime's efforts to overthrow Diem.

The premier was especially critical of the manner in which the Geneva Agreements have been implemented in South Vietnam and charged that the US and Diem governments have violated "all the military provisions of the agreements." He then turned to Laos, alleging that civil war broke out there only when the agreements were violated. Linking Laos and Vietnam under the general umbrella of Geneva Agreement "violations" has become almost a standard formula in Hanoi, suggesting that the Communists may seek to resurrect the question of Vietnamese reunification at the forthcoming conference on Laos.

As presented to the National Assembly, North Vietnam's economic plans for 1961, the initial year of the First Five-Year

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Plan (1961-65), give priority to consolidation of agricultural cooperatives and a program to introduce heavy industry. In view of Hanoi's limited resources, achievement of industrial goals for the Five-Year Plan will depend on continued aid from the bloc. This support will apparently be forthcoming; within the last six months credits of \$107,500,000 from the USSR and \$157,000,000 from China have been extended to finance industrial developments in North Vietnam.

Current food shortages highlight the urgency of plans for increasing agricultural production in North Vietnam. Output of rice, which makes up the bulk of the diet, is scheduled to rise 24.5 percent in 1961 over the 1960 level, a highly optimistic goal. Further, Hanoi's plan to raise the percentage of peasants in low-level

cooperatives--now at 85.8 percent of the total--and simultaneously to push on to more advanced forms of rural collectivization may cause a recurrence of rural unrest which could harm agricultural output this year. Efforts between 1955 and 1958 to socialize the peasantry aroused such strong opposition that the regime had to slow its schedule.

The draft budget for 1961 reflects the plan to expand the still modest industrial sector. The budget is to be balanced at a level 20 percent above that of 1960, with 38 percent of the capital construction funds to be allocated to industry. The claimed reduction of 23 percent in the defense budget, while it serves an obvious propaganda function, is impossible to evaluate because defense costs can be spread throughout the budget. [redacted] 25X1

[redacted] 25X1

**ANGOLA**

Unrest in northwestern Angola is continuing. The rebels seem able to move at will through large areas of the countryside, and much of the white population has withdrawn into larger towns. The American consul in Luanda believes repressive Portuguese military activity is driving more natives into rebellion.

Portuguese military strength in the province now is estimated at 12,000--including

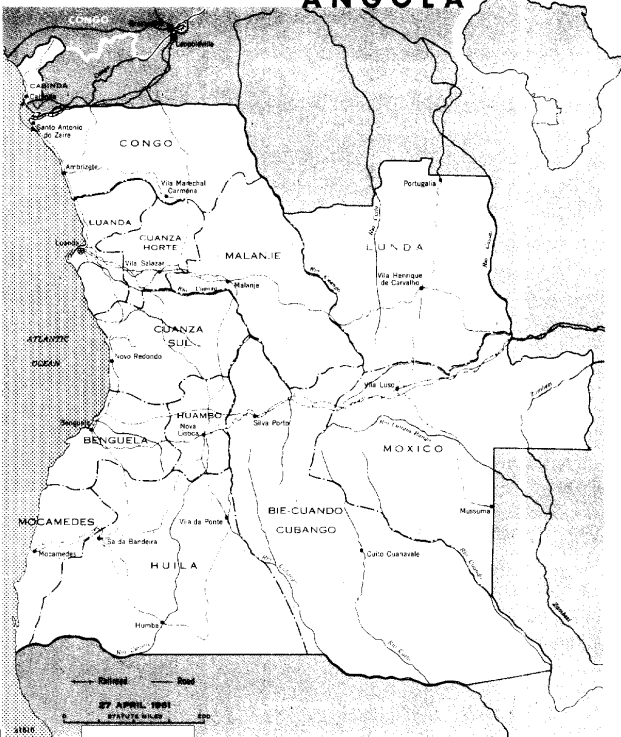
4,000 white troops--and reinforcements are continuing. The American Embassy in Lisbon believes that the fanfare accompanying the troop movements may be a cover for a relatively small operation. The build-up probably will be intensified, but its scope will be restricted by Portugal's limited logistical capability.

The unrest probably will prevent the harvesting of much of the coffee crop, Angola's

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**ANGOLA**

once order has been restored.

It is doubtful that the amount of public capital necessary to reverse a serious economic decline is available in Lisbon; the Portuguese business community, which is concerned over the stability of the escudo, probably will be unwilling to invest large amounts in the province. Serious economic deterioration in Angola ultimately would threaten the Salazar regime.

Angolan exile groups are competing for international support. Several Communist-supported organizations, including the Popular Movement for the Liberation of Angola, met recently in Casablanca to set up a coordinating body for activities against Portugal's overseas territories. The main group outside this framework is Holden Roberto's Angolan People's Union, which allegedly triggered the recent unrest.

Roberto claims to have the support of several African states, but he is concerned that the new Communist-supported organization may seize the initiative. The activity of all exile groups reportedly is being hampered by the unwillingness of some Congolese in Leopoldville to allow the use of the lower Congo region as a base of operations.

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principal export and Portugal's main dollar earner. Since there is a large stockpile from previous crops as a result of Portuguese commitments under the International Coffee Agreement, the foreign trade position is unlikely to change drastically, although the present downward trend in export earnings will continue. Reduced activity in the coffee industry, however, would have serious repercussions on the economy and might lead to widespread unemployment among Angolan whites and to unrest among hitherto loyal Africans.

Portuguese officials claim that reforms will be introduced

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****JAPAN'S NEW SOURCES OF OIL**

Japan is reducing its heavy dependence on petroleum supplied through Anglo-American interests by exploiting its oil concession in the Persian Gulf and by expanding purchases from the USSR. Of Japan's 200,000,000-barrel requirement for crude oil in 1960, 98 percent was imported at a cost of \$465,000,000. The bulk of these imports was supplied by American and British firms operating in the Middle Eastern and Indonesian oil fields.

Crude oil imports from the USSR began in late 1958. In 1961, as part of the three-year Japanese-Soviet trade agreement, these imports are expected to reach 10,700,000 barrels, less than 3 percent of Japanese requirements. The head of the Soviet Oil Export Corporation, E. P. Gurov, has been in Japan since late March attempting to persuade oil interests to take additional quantities in exchange for two 35,000-ton tankers and 270,000 tons of pipe the USSR is planning to procure in Japan. Gurov also contends that the USSR will be able to supply Japan about 63,000,000 barrels annually once the Irkutsk-Nakhodka pipeline is completed.

These proposals have stimulated the interest of Japanese industry, largely because of the cheaper price of Soviet oil. Firms which import oil at the cheapest price, moreover, ordinarily receive preferential foreign exchange allocations from the government. The gov-

ernment is experiencing some difficulty in this respect, however, because it is committed to support the Japanese-owned Arabian Oil Company (AOC), whose first shipment from the offshore concession in the Persian Gulf arrived in Japan on 17 April.

The AOC operation had been intended to provide Japan with crude oil without an expenditure of foreign exchange. That objective has become impracticable for the time being, because of dollar costs involved in long-term financing, royalty payments to Saudi Arabia and Kuwait, and handling charges, but the government is still committed to promoting AOC. Additional foreign exchange is being allocated to Japanese oil importers, including subsidiaries of American and British firms, with the stipulation that it be used to buy AOC crude. The latter is being marketed in Japan at competitive prices and is not expected to disrupt sales by existing suppliers. Such sales should even increase somewhat in view of the rapidly expanding Japanese requirement for petroleum products.

AOC is scheduled to provide about 6,000,000 barrels to Japan during the remainder of 1961--no more than 3 percent of oil imports--but according to present plans it should provide some 25 to 30 percent of total requirements by 1963.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****CONFUSION IN INDIAN COMMUNIST PARTY GROWS**

The recent congress of the Indian Communist party (CPI) not only failed to resolve the differences between party leaders but apparently also intensified the sense of frustration and confusion among all factions.

Both the leftist extremists, who favor revolutionary tactics in line with Peiping's position, and the right-wing "nationalists," who advocate support for Nehru and "progressive" Congress party programs, failed to gain acceptance for their policies and were left equally dissatisfied. The moderate general secretary, Ajoy Ghosh, who stage-managed the convention under the direction of top Soviet representative M. A. Suslov, adroitly neutralized extremists on both sides by making timely concessions to the leftists while pushing through his own essentially moderate resolution.

The ambiguous statements given tentative approval by the delegates, after ten days of stormy debate and postponement of the basic issue of party tactics, constituted a setback to the left-wing extremists, since they indicate that the party will continue to be guided by the "peaceful, parliamentary" policy adopted in 1958. The moderates consolidated their control by re-electing General Secretary Ghosh despite his poor health. Leftist leaders managed, however, to gain greater representation--roughly one third of the seats--on the newly elected National Council. This achievement reportedly has increased their determination to

continue the ideological struggle.

While the moderate leadership will try to smooth over party differences as the campaign for the national elections next February draws nearer, the outlook is for continuing dissension and probably another open fight when the National Council meets in June to decide "finally" on the party's program.

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**REBELS SURRENDER IN INDONESIA**

The surrender this month of a reported 8,000-10,000 armed and 15,000 unarmed rebels in North Celebes has virtually ended the three-year guerrilla war in that area. Most of the dissident commanders surrendered with their troops. The Indonesian Government estimates there are still 1,000 rebels operating in the area under dissident commander Sumual.

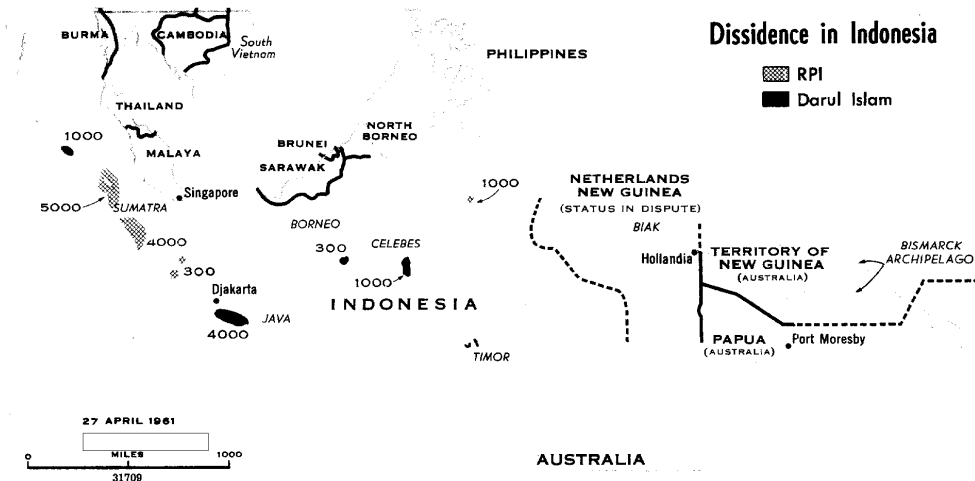
Those who surrendered were part of the insurgent Federal Republic of Indonesia (RPI). This movement, which was led by local army commanders, originated in Sumatra in late 1956 as a protest against Communist influence in the national government and against political and economic centralism. The movement remained nonviolent until February 1958, when the dissidents declared a provisional government and Djakarta began forceful suppression. The RPI's principal military and political strength has been in North Celebes and in North and Central Sumatra.

The rebels' decision to surrender apparently resulted largely from inability to obtain outside assistance and from the government's offer of amnesty.

The conviction of some dissident leaders that the Indonesian Army is sincerely pursuing anti-Communist goals probably was also a factor.

The government seems to have offered virtually unrestricted amnesty to all enlisted men and noncommissioned officers. This offer may also be extended to officers other than the top commanders. Although the exact terms of surrender have not been disclosed, Djakarta apparently plans to wait three months before putting the amnesty into effect in order to test the rebels' sincerity and to give the surrendering commanders an opportunity to persuade the remaining dissidents to give up.

Former armed rebels will be moved to East and Central Java for military training before being reinstated in the army, on the basis of one man for each weapon surrendered. The government has not divulged its plans for the former rebel commanders, but they probably face at least token discipline. Indonesian officials have stated that the principal problem is not the disposition of the surrendered troops but the



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return of large numbers of civilians and unarmed rebel "troops" who were displaced by the rebellion and whose rehabilitation must be assisted.

In Sumatra, isolated RPI units have surrendered from time to time, and latest estimates place total RPI strength there at 9,300. RPI effectiveness in Sumatra is weakened by rivalry between civilian and military elements, by lack of supplies, by lowered morale, and by the conviction of some leaders that

the rebellion is making no progress and is actually weakening the nation.

Remaining dissidence in Indonesia is inspired largely by the Darul Islam, a fanatical Moslem organization which seeks to establish a theocratic state. Based in West Java, the Darul Islam maintains a tenuous liaison with forces in Atjeh (northernmost Sumatra), Borneo, and South Celebes. The number of armed rebels throughout Indonesia is estimated at 16,600.

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**NEW GOVERNMENT IN BELGIUM**

Belgium's new government of Social Christians and Socialists, approved by the King on 25 April, represents the center of the political spectrum. Theo Lefevre, chairman of the Social Christian party, is prime minister, and Socialist leader Paul-Henri Spaak is deputy premier and minister of foreign and African affairs. The coalition apparently has the support of the Socialist and Roman Catholic labor federations. The chief opposition to participation came from right-wing, middle-class elements in the Social Christian party and from the left-wing faction in the Socialist party. On this issue both of these groups found their main strength from the Walloon area of southern Belgium, where last winter's Socialist-inspired strike was most acute.

The government regards domestic reforms as its primary task. The outgoing Eyskens government's ill-fated "loi unique," which provoked the strike, because of opposition to its economic austerity provisions, has not been implemented to any great degree. Lefevre's government therefore will face the problems of fiscal reform,

regulation of big business, and the low rate of economic growth. Since the moderate elements apparently constitute the majority within the coalition, there is a good prospect of working out a program for economic growth and reform that will not alienate any significant segment of the population.

Spaak told the Socialist party meeting which approved joining the coalition that he was unable to say precisely what foreign policy would be followed. Certain areas will require immediate attention--particularly relations with the United Nations and NATO and questions involving the Congo and Ruanda-Urundi, over which Belgium has a UN trusteeship.

Spaak will put an end to the collusion between the Ministry of Defense and the Ministry of African Affairs regarding Belgian activities in the Congo. The latter ministry is likely to be abolished, and Spaak will exercise stronger control over defense operations than did his predecessor.

The new government is likely to adopt a more conciliatory

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attitude toward the UN and the Congo, but is unlikely to advocate such a "liberal" Congo policy as to jeopardize its domestic programs by antagonizing the Belgian public. Vested interests with a large economic stake in the Congo will strongly oppose any far-reaching concessions to international pressures. The Belgians are in-

creasingly resentful of being blamed for all the confusion in their former colony.

There are indications that Belgium would rather drop its Ruanda-Urundi trusteeship than continue to be criticized at the UN for its administration of the territory, which is scheduled to receive its independence in 1962.

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**THE ECONOMIC OUTLOOK IN VENEZUELA**

The Venezuelan Government's failure thus far to check the country's three-year economic decline leaves President Betancourt increasingly vulnerable to attacks from both the rightist and Communist-leftist opposition. Influential business and professional groups have also become increasingly critical of the regime's ineffectual financial policies

against the government accompanied by periodic violence and by the government's erratic steps to halt the flight of capital.

The regime has hesitated to set forth positive economic policies and apply politically unpopular remedial measures. It is reluctant to discharge 20,000 to 25,000 excess civil servants because of the already dangerous unemployment level in Caracas, and it has vacillated in eliminating the waste and inefficiency in the many national economic enterprises, such as the steel and petrochemical institutes, the air, rail, and shipping lines, and the national hotel chain. These and other organizations are operating at a loss totaling possibly \$100,000,000 annually.

Pro-Castro factions, quiescent since their unsuccessful efforts to overthrow Betancourt late last year, have again displayed their potential for promoting unrest by staging several demonstrations in support of the Cuban regime.

Venezuela has had four consecutive unbalanced budgets. The deficit for the year ending in June is estimated at \$300,000,000--a sum larger than the total annual expenditures of most Latin American countries. A long-range decline in foreign exchange reserves, a high rate of unemployment, and especially a loss of confidence in the business community are among the important economic problems. Business stagnation has been compounded by frequent plotting

In addition, there is a growing public awareness of the adverse effects of restrictive policies which Minister of Mines and Hydrocarbons Perez Alfonso has applied to the key foreign-owned oil industry. Such policies include the repeated categorical opposition to any further grant of concessions, control over prices and price discounts without regard to market competition, and endorsement of the principle of government

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prorating of production among producers, Perez' statements, moreover, have frequently been antagonistic toward the difficulties of the smaller companies operating in Venezuela, even indicating that their presence is not beneficial to the country.

Sharp criticism of Perez' policies, which Betancourt thus far has supported unconditionally, has come even from highly nationalistic business organizations. Reinvestment in the oil industry, which stimulates other sectors of the economy, has dropped sharply each year since 1958, partly because of Perez' inflexible and often hostile position toward the companies--a position which

suggests a plan to nationalize the industry eventually. Moreover the government's national petroleum company, organized last year, will probably be another drain on government resources.

Although the financial situation apparently does not pose an immediate threat to the government, further deterioration will encourage plotting from the opposition and may alienate the majority of the wealthy conservative and business classes. Betancourt is urgently seeking a large "political" loan from the US, reportedly in the amount of \$300,000,000 to \$700,000,000, suggesting the regime's concern over the political implications of its financial dilemma. [redacted] 25X1

## ARGENTINA

President Frondizi's removal of Economy Minister Alsogaray, who has been Argentina's virtual economic czar and the main force behind the US-backed stabilization program, was probably intended primarily to counter popular discontent over the drop in real wages and industrial production. He is concurrently reorganizing other ministries and key offices concerned with economic matters to improve the effectiveness of the economic team.

Frondizi's public line is that his changes merely signified the completion of the initial phase of the stabilization program, and that the government was resolved to complete the program with new emphasis on expanded economic development. [redacted]

Some military officials, such as former Army Commander in Chief Toranzo Montero, have resented Alsogaray's criticism of their strong pressure on Frondizi to drop Rogelio Frigerio, an important but unofficial adviser, and to take stronger measures against the Peronistas and Communists. They reportedly were not behind Frondizi's action at this time, however, and elements favorable to Toranzo Montero are being removed from army command positions; this process has caused some restiveness but will probably continue.

New foreign policy developments may be connected with Frondizi's reorganization of economic offices, [redacted] 25X1

[redacted] Presi- 25X1  
dents Frondizi and Quadros, during their meeting on 21 and 22 April at the Brazilian border town of Uruguaiana, emphasized economic development in one of their joint declarations on increased cooperation and consultation in foreign affairs. Foreign Minister Taboada resigned

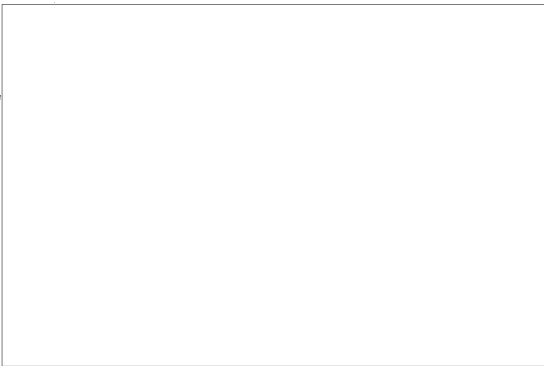
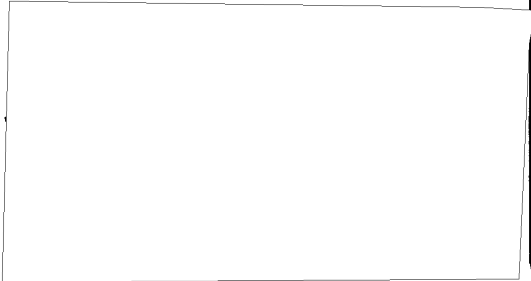
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on 26 April; several pro-US replacements have been mentioned.



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**WEST INDIES FEDERATION**

Jamaican Premier Norman Manley is maneuvering to obtain support for his provisions for a weak, decentralized West Indies federation. If he fails to secure the concessions he seeks at the interisland constitutional conference opening on 2 May in Port of Spain, Trinidad, he may withdraw from the federation. Such action would probably make the federation unviable, inasmuch as it now derives about 53 percent of its population and gross domestic product from Jamaica.

Trinidad's Premier Eric Williams has already backed down as leader of the forces advocating a strong federal government and is cooperating with Manley to keep Jamaica in the federation and elect him to replace the ineffectual Sir Grantley Adams as federal prime minister. Williams claims he was proffered this post by British Prime Minister Macmillan if Manley should withdraw, but he said he rejected the idea.



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While the smaller and poorer islands are opposing the latest proposals on the grounds that they would make the federation too poor and weak to be effective, Manley will probably succeed in forcing through a constitution he can persuade the Jamaican electorate to endorse in a referendum to be held late this summer. Last May an increase in Jamaica's share of the legislative seats from 38 percent to 48 percent was accepted provisionally by the other members in order to retain Jamaica's participation.

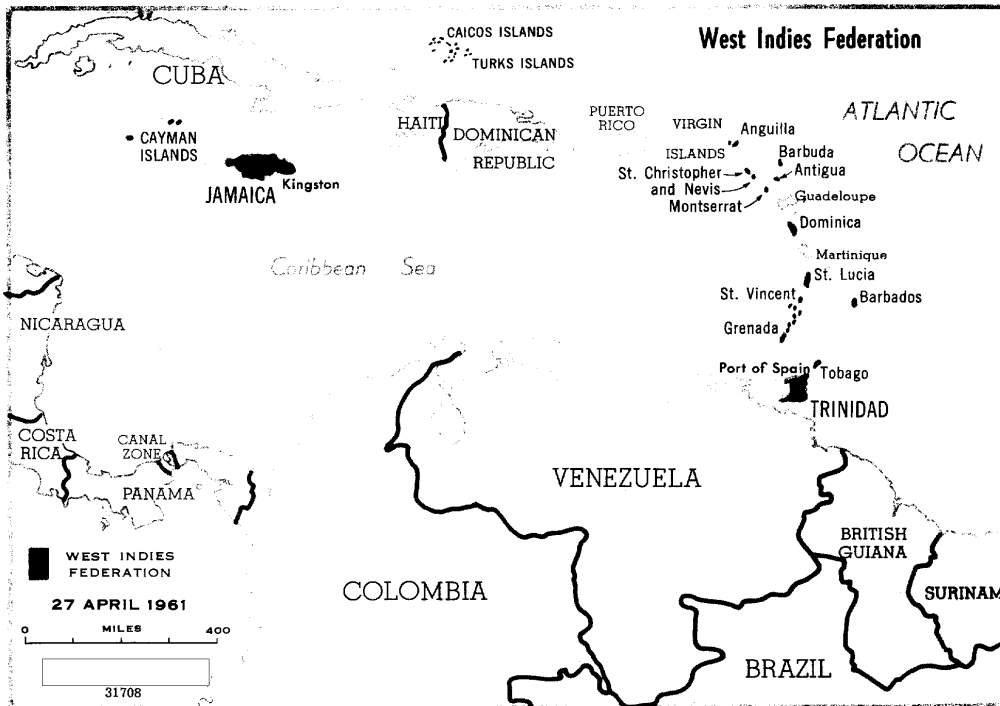
The chances for compromise lie in the principle accepted at committee level last October that certain powers which Jamaica seeks to retain exclusively--such as the right to levy an income tax and to control industrial development incentives--be recognized as areas of ultimate federal control but left to the

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individual governments for the present. Financing of the federal budget through a customs excise is being considered, but Jamaica insists that a customs union be introduced only gradually lest the island's high-tariff economy be endangered.

Jamaica also wants the power to veto accession of new members--with an eye to keeping out Communist-led British Guiana. The British have been pressing the West Indies to speed agreement on a new constitution to permit the granting of independence by 1962. They have indicated that in the talks beginning in London on 31 May they will approve whatever the federation members desire.

Long an advocate of federation, Manley is facing increasing secessionist pressure in Jamaica. The economic arguments are now reinforced by the belief of the Negro masses that they will somehow be dominated by non-Negroes in the overwhelmingly Negro but multiracial federation. Manley is also seriously concerned over the underlying racial and economic tensions in Jamaica, which are currently being exploited by agitators working through the labor unions and the semireligious, semianarchist Rastafarian movement. Fearing serious disorders, he would be reluctant to leave Jamaican politics in the care of his expected successor, [redacted] Wills Isaacs. [redacted]

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SPECIAL ARTICLES****TUNISIAN PRESIDENT BOURGUIBA**

Habib Bourguiba, who is soon to visit Canada, the United States, and Britain, not only is Tunisia's President and outstanding political personality but also aspires to be recognized as the leader of the Maghreb (North Africa) and as an African statesman. Although sympathetic toward the West, he has adopted a policy of non-alignment favored by advisers who argued that Tunisia would gain by inducing East-West "competition."

Bourguiba wants to transform Tunisia from an overpopulated country with sparse resources into a modern and economically viable state, and he has invited aid from any source to accomplish this. He argues vigorously that developed nations are morally obligated to assist their underdeveloped neighbors. While appreciative of American economic assistance, he has criticized the complicated US controls over fund expenditures, delays in transferring funds, annual appropriations limitations, and the lack of aid for social improvements such as the construction of schools and public housing.

The Tunisian President attempts to persuade other African nationalists--particularly the Algerian rebels--to imitate his flexible and gradualistic approach toward independence. He has labeled this tactic "Bourguibisme," using it to describe his experience in obtaining Tunisian independence by stages.

**Personal Background**

Born on 3 August 1903 in the eastern coastal town of Monastir--which he is developing into a summer capital--Bourguiba was the youngest of eight children. His family had a record of independent actions: his father resigned his commission in the Tunisian Army when the country was occupied during the establishment of the French protectorate in 1881-83; his grandfather had earlier led a rebellion against what he believed to be illegal taxation.

After receiving his early education at French schools in Tunis, Bourguiba obtained a law degree from the University of Paris and graduated from L'Ecole Libre des Sciences Politiques. In 1927 he was admitted to the bar in Tunis. Already an active nationalist while a student, he combined law practice with political activity.

With a few like-minded young men, Bourguiba in 1934 convoked a congress of followers of the nationalist Destour (Constitution) party--from whose executive committee he had resigned the previous September after a dispute with party elders--and formed a splinter organization called the Neo-Destour party which soon outstripped the older organization in size and effectiveness. He was repeatedly arrested by French authorities and spent most of the next 20 years in prison. Almost a legendary

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figure among his 4,000,000 largely illiterate countrymen, Bourguiba is still affectionately referred to as "Le Supreme Combattant."

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is an effective, indefatigable, and emotional orator and is reported to be more eloquent in French than in Arabic. He has adopted President Roosevelt's technique of the "fire-side chat" as the medium for most official pronouncements.

Support and Opposition

The basis of Bourguiba's support is his Neo-Destour party and its affiliated student, youth, labor, economic, and women's organizations. Although there are other legal political organizations, including a small Tunisian Communist party, their influence is small. Late in 1955 Bourguiba wrested control over the Neo-Destour party machinery from his principal rival and until then the party's secretary general, Salah Ben Youssef, who advocated an intransigent policy toward France. Ben Youssef was expelled from the party and, under death sentence for treason, has been in exile since early 1956.

Other potential rivals who have stepped out of line have been less severely disciplined. Most notable of these is Secretary of State for the Plan and Finance Ahmed Ben Salah, who in December 1956 was displaced as head of Tunisia's powerful labor union. Ben Salah "returned to grace"--but not to trade union leadership--because Bourguiba recognized that his abilities might be better employed in developing Tunisia than in undermining Bourguiba's position.

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In 1959, Bourguiba declined nomination as Neo-Des-tour's president-for-life, accepting instead the normal three-year term. He personally supervised the drafting of the Tunisian constitution. Modeled on those of the US and Turkey, it limits the tenure of the president to three five-year terms. Constitutionally, Bourguiba may retain office until the fall of 1974. Tunisia's most important national holiday is 1 June, anniversary both of Bourguiba's triumphal return to Tunisia in 1955 and of the promulgation of the constitution in 1959.

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[redacted] Bourguiba has imposed unpopular measures he considers to be for the general welfare and has thereby antagonized the upper bourgeoisie and the Islamic hierarchy. He has cracked down on corruption and pressed enforcement of retroactive laws governing "ill-gotten gains"-- laws aimed at persons who prospered during the protectorate period. He not only has abolished polygamy and ordered the unveiling of women but also has antagonized religious traditionalists by recommending non-observance of the fast of Ramadan and suppressing the system of religious education, both of which he considers are archaic and retard Tunisia's development.

Foreign Relations

Bourguiba closely supervises the conduct of foreign affairs. Tunisia's difficulties with the former protecting

power largely reflect his personal relations with France. He has antagonized Paris by habitually airing their difficulties in his periodic broadcasts. He has openly courted French military retaliation by publicly supporting the Algerian rebellion. He also has stoutly resisted French economic pressures.

In late February, Bourguiba somewhat reluctantly agreed to meet with De Gaulle, but did so primarily to urge the French President to proceed toward an Algerian solution. While elated by first appearances that this effort had been successful, Bourguiba has recently expressed profound pessimism over the lack of progress toward French-Algerian negotiations. He also has expressed annoyance that France has failed to move toward a solution of French-Tunisian problems, particularly that of the French base at Bizerte.

Frequently irritated by Paris' usually warmer relations with the Moroccan King, Bourguiba claims that his own position has been made all the more untenable by France's agreement to speed up evacuation of its Moroccan bases. He feels that France owes him a similar gesture on Bizerte because his difficulties with Nasir and other Afro-Asians stem in part from the charge that he is "too good a friend of De Gaulle."

Bourguiba's relations with the Algerian rebels have also proved difficult. The rebels [redacted] suspect his intentions. He

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fears the development of a strong and radical neighbor which might engulf Tunisia and has pressed them to reach an accommodation with France. He competed with the late Moroccan King Mohamed V for leadership of a Maghreb federation and has vied with both Mohamed and Nasir for influence with the Algerians.

Rabat has resisted Bourguiba's unsolicited advice and last fall recalled its ambassador to Tunis when Bourguiba failed to support Morocco's claims to Mauritania at the United Nations. Rabat's animosity probably was deepened by Bourguiba's recent agreement to train Mauritanian jurists. Mohamed V pointedly did not invite Bourguiba to the conference of African chiefs of state in Casablanca early in January. Bourguiba, like Mohamed V, claims a portion of the oil-rich Sahara, and both the Moroccans and the Algerians suspect that Bourguiba has reached a secret agreement with De Gaulle for Saharan development.

Bourguiba has expressed considerable concern over the developing extremism within African nationalism generally and considers it his particular mission to divert this trend. Originally confident that Patrice Lumumba had accepted and would follow his moderate advice, Bourguiba has since striven to maintain as much Tunisian influence as possible in the Congo and to press his view that UN operations must be supported by other African leaders. Recently he conferred with Ghana's President Nkrumah, who also desires to establish African unity.

Apparently Bourguiba has encouraged Holden Roberto, who

heads the Angolan People's Union (UPA). Roberto claims his organization instigated the disorders in the Portuguese West African territory of Angola last month.

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Having been excluded from Casablanca and acutely aware of his growing isolation, Bourguiba late in January welcomed Iraqi overtures to send his foreign secretary to the meeting of Arab League foreign ministers. Bourguiba had joined the league in October 1958 primarily to challenge Nasir's dominance over that organization, but when he failed to obtain any support, he immediately withdrew and broke relations with the UAR.

Bourguiba's personal vendetta with Nasir has involved the capture of Egyptian agents dispatched to assassinate Bourguiba, the asylum granted Salah Ben Youssef by Nasir, and vitriolic UAR propaganda attacks on Bourguiba. Prospects for the restoration of diplomatic relations are dim.

Bourguiba's relations with the Sino-Soviet bloc appear to have disappointed him. Although he had delayed exchanging ambassadors with the USSR, Czechoslovakia, and Poland until late last year, he apparently had expected the bloc to be more generous with offers of economic assistance. Poland has granted an \$8,000,000 credit, and a Soviet offer to construct three small dams is now being negotiated. Having openly solicited bloc aid, Bourguiba seems embarrassed by the meager response.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****COMMUNIST CHINA'S INFLUENCE IN NORTH KOREA**

*Particularly the Soviet Union and the Chinese People's Republic are not only our great brother countries but also our closest neighbors. The firm unity with the peoples of the two countries is an important guarantee for all victories of our people. --Kim Il-sung, 15 August 1960*

Korea has been victimized by its strategic location throughout history, and Communist North Korea appears once again to be the scene of competition between its powerful neighbors for dominant influence. As suggested by the timing and content of Chairman Kim Il-sung's statement, Pyongyang was apprehensive about the mounting crisis in Sino-Soviet relations in the summer and fall of 1960. Developments during the past three years, moreover, indicate that issues in the Sino-Soviet dispute have had a profound effect on North Korea.

As a contiguous Asian country confronted by problems similar to Peiping's in both domestic and foreign policy, North Korea has been a prime target in Peiping's drive to win acceptance of its more radical approach to the domestic construction of Communism and its more militant approach to international Communist strategy.

Construction of Communism

The appearance of Communist China's commune and "leap forward" programs in the summer of 1958 injected an element of discord into Sino-Soviet - North Korean relations which still persists. Attracted by the Chinese pretension to have discovered a special road for Asian countries leading to the early achievement of socialism and Communism, Pyongyang embraced a whole series of Chinese Communist policies and programs in the summer and fall of 1958.

Imitation of the Chinese example began in June, when the regime decided to launch a mass movement to construct small in-

dustrial installations combining "native and modern" technology. A far more significant step was taken at a September central committee plenum which inaugurated North Korea's "flying horse" program of economic development and the simultaneous amalgamation of some 13,000 collective farms into 3,800 political-economic units of township size. In a major policy speech on 20 November, Kim Il-sung revealed the extent to which these programs had been inspired by the Chinese Communist model.

First, Kim disclosed that the rationale, scope, and objectives of the "flying horse" program were nearly identical with those of China's "great leap forward." Even more suggestive of Chinese influence was the clear implication that North Korea was incorporating salient features of Communist China's heretical commune program into its own reorganization of rural society, including the "free supply" of commodities determined "according to need." Kim made this point in his speech in the form of a conversation he had had with a peasant woman during a visit to an agricultural cooperative.

When I asked her how she would like it if all textile products, rice, and everything else were supplied free of charge, if the peasants were placed under the same wage system as the workers, and if we proceeded thus in the direction of practicing the Communist principle of distribution along with the socialist principle of distribution at the same time, she replied that that sounded simply wonderful.

By the end of October this cooperative had established most of the collective livelihood institutions of China's communes, including public mess halls, nurseries, and kindergartens.

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experiments with "free supply" in a compulsory mess-hall system were conducted on a nationwide basis in the fall and winter of 1958.

Immediately after his speech, Kim Il-sung spent three weeks on an extended tour of Communist China. Responding to an enthusiastic reception, he endorsed China's communes as "a step toward Communism" and pledged that he would "certainly pass on to our (North Korean) peasants the great results you have achieved from your commune movement." In an address after his return to North Korea, Kim appeared to acknowledge Peiping's claim that China constituted a model for the underdeveloped nations of Asia.

In the face of obvious Soviet displeasure, Pyongyang then appeared to abandon its plan to emulate Peiping by "advancing to socialism and Communism with flying leaps." At the Soviet 21st party congress in late January 1959, Kim Il-sung pointedly described his country as proceeding "along the road to socialism," with "the rich experiences accumulated by the Communist party of the Soviet Union and the Soviet people always serving as a guide in all our work."

On the occasion of Communist China's tenth anniversary celebration in October 1959, however, Kim once more spoke out vigorously in defense of Mao Tse-tung's unorthodox programs. This declaration of support, in conjunction with East German delegate Hermann Matern's statement hailing the commune "as an example...for the millions of Asian peasant masses," posed anew the threat of an emerging Asian bloc of Communist nations looking to Peiping for inspiration and guidance.

Following his abortive October conference with Mao in Peiping, Khrushchev apparently decided to resort to more forceful measures to coerce Communist

China and its bloc supporters back into line. As noted subsequently in an official Chinese party letter, the Soviet leader publicly attacked China's foreign and domestic policies on four separate occasions in the fall of 1959.

Another Soviet counter-measure was the convocation in Moscow in early February 1960 of an unprecedented top-level bloc conference on agriculture. North Korea's participation in this conference, which almost certainly criticized China's communes, was an indication of continued susceptibility to Soviet pressures and, perhaps, of growing disenchantment with Chinese programs as a solution to its own agricultural problems. Apparently reacting to pressures applied here and at the subsequent Bucharest conference, Pyongyang throughout 1960 studiously ignored the existence of China's communes.

In part responding to this development and in part preparing for the impending conference of world Communist leaders in Moscow, Peiping began to exert a number of countervailing pressures in October 1960 in order to maintain its position in North Korea. First was the grant of a loan of \$105,000,000 to finance deliveries of equipment, and technical assistance for industrial development. With this new credit, Communist China's total assistance to Pyongyang since the end of the Korean war exceeded that of the USSR. Coming at a time of stringency in China's own economic development program and of similar sizable loans to Mongolia and North Vietnam, this extension of aid indicated a new effort by Peiping to compete with the Soviet Union for influence with the Asian members of the bloc.

Next was the dispatch of a high-ranking military goodwill mission to North Korea in late October for a joint celebration of the tenth anniversary of China's entry into the Korean

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war. The chief of the mission, politburo member Ho Lung, utilized this occasion to attack the "modern revisionists" (an epithet directed at Moscow at this stage of heated polemics in the Sino-Soviet dispute) for their "bitter envy and hatred of our country's construction achievements," their "vain attempt to isolate China" and, more pointedly, their "vain attempt to sabotage... the friendship and unity" of China and Korea.

Caught in this cross fire, North Korea's attitude toward China's distinctive program of socialist and Communist construction displayed marked ambiguity. On the one hand, succumbing to Soviet pressures, Pyongyang had disavowed the commune not only as a model for North Korean emulation but even as a legitimate form for building socialism and Communism within China itself. On the other hand, the regime continued to endorse China's "great leap forward" and to implement, although at a somewhat reduced tempo, its own neo-Stalinist hard-line program of economic and social development.

Even more significant was the growing tendency to characterize North Korea's domestic policies as the product not of Soviet experience but of Kim Il-sung's "creative application of Marxism-Leninism" to the special conditions of his own country. By increasingly stressing "the individuality of North Korea's revolution," it appeared that Pyongyang, on the eve of the Moscow conference in November 1960, aspired to a position of neutrality in the deepening Sino-Soviet controversy over the "correct" road to socialism and Communism.

#### World Communist Strategy

The Sino-Soviet dispute on international Communist strategy has entailed equally disturbing consequences for North Korea. This acrimonious public debate has reflected very real and

broad differences over policies to be pursued toward the non-Communist world, with Khrushchev advocating a relatively gradual long-term policy of victory through "peaceful coexistence" and Mao Tse-tung countering with a more aggressive, high-risk policy promising quick gains in Asia, Africa, and Latin America. Despite uncertainty and equivocation, the North Korean response to these divergent views since the fall of 1959 has revealed a marked predilection for Peiping's more militant line in approaching its own principal foreign policy objective--the unification of Korea under Communist rule.

A number of developments in the spring of 1960 intensified the Sino-Soviet dispute on bloc strategy. In April, Peiping launched a public attack on the theoretical rationale of Khrushchev's foreign policy. The South Korean riots and subsequent overthrow of the Rhee government in April, the collapse of the Paris summit conference in May, and the violent Japanese demonstrations in June appeared to cast doubt on the efficacy of Khrushchev's detente policy and to lend substance to Peiping's view of a rising tide of revolution in Asia. In addition, the Bucharest conference in June disclosed to other bloc parties the fundamental nature and disruptive effect of the Sino-Soviet dispute.

The North Korean response to these developments revealed grave apprehension over the growing rift in Sino-Soviet relations and a consequent desire to remain neutral, and, at the same time, a continuing affinity for Peiping's militant policy of unremitting struggle against the West in Asia.

The dominant tone of Kim Il-sung's important Liberation Day speech of 15 April 1960, which launched a new propaganda drive for the "peaceful unification" of Korea, was one of struggle and militant appeals for direct revolutionary action

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in South Korea. Employing Chinese Communist invective, he depicted US imperialism as "the most atrocious enemy of mankind and vicious enemy of the Asian people," as "intensifying the arms race and aggravating tensions," and as scheming to establish in South Korea "a military base for provoking another war." After drawing a parallel between South Korea and Taiwan, Kim asserted that "our people, joining forces with all Asian people, will struggle for the withdrawal of the aggressive US Army from the whole area of Asia."

The high-ranking Chinese Communist military mission which visited North Korea in October made much of this community of national interest. The members of the mission stressed the parallel between South Korea and Taiwan, reiterated a number of Chinese positions in the Sino-Soviet dispute on strategy, and asserted a special relationship between China and Korea ("What is concerned with one of them is also concerned with the other") which appeared directed as much at the Soviet Union as at the West.

The upshot of this new initiative was to swing the North Korean regime even more solidly into line behind Communist China on two key issues of the Sino-Soviet dispute. First was the open espousal of Peiping's charge that the "modern revisionists" were engaged in "covering up the aggressive nature of imperialism, beautifying imperialism, and...denying the universal legality of socialist revolution." Next was the enthusiastic seconding of the Chinese view that revisionism, not dogmatism and sectarianism as implied by Moscow, constituted the most serious ideological deviation within the international Communist movement.

According to Vice Premier Chong Il-yong, revisionist elements had engaged in "counter-revolutionary plots" against the Korean Workers' party in

the past and were still considered a clear and present danger. As a consequence of carrying on "socialist construction amid the fierce class struggle against US imperialism...and domestic counterrevolutionaries," it was necessary to "arm the working people with hatred against imperialism and class enemies and bring them up as self-sacrificing and ardent revolutionary fighters."

Thus, as the Moscow conference approached, North Korea seemed to be following the lead of Communist China in opposing Khrushchev's policy of relaxing international tensions. What is more, the considerations prompting this decision appeared to be strikingly similar to those animating Peiping. As a country with unsatisfied territorial claims, North Korea could view friendlier relations with the West only as tending to freeze the status quo. As a have-not nation determined to industrialize at maximum speed, it favored external tension as a justification for sacrifice and a goad for production. And as one of the satellites plagued by factionalism and purges, it appeared firmly committed to the pre-Khrushchev model of Stalinist totalitarianism.

Moscow Conference and After

Developments at the Moscow conference and after tend to confirm the existence of strong ideological bonds between Peiping and Pyongyang. First, it appears significant that Mao Tse-tung and Kim Il-sung were the only Communist party leaders in the bloc who did not attend this conference. Next, fragmentary reports on the conference proceedings indicate that North Korea provided valuable support to Communist China on a number of issues in the Sino-Soviet dispute, either by endorsing Chinese positions or by failing to endorse the opposing views advanced by the Soviet Union. The credibility of these reports is enhanced by

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subsequent North Korean editorial comment on the hybrid documents issued by the conference --commentary which has slighted Soviet-inspired passages for those expressing the more militant Chinese line.

On the overriding issue of peace or war, neither the North Korean party editorial of 12 December on the Moscow Appeal nor the party resolution of 24 December on the Moscow Declaration mentioned Soviet formulations on the "horrors of modern war" or the crucial alternative confronting the bloc: "either peaceful coexistence or a nuclear war of extermination." Other Soviet passages in the Moscow documents were either completely ignored (the cult of the individual, problems of Communist construction, long-term economic competition, and negotiations with the West) or acknowledged perfunctorily (peaceful coexistence, general disarmament, and dogmatism). By contrast, these authoritative party assessments of the Moscow conference echoed long-standing Chinese contentions in the Sino-Soviet dispute over international Communist strategy.

A major theme was the odious and inherently aggressive nature of US imperialism "running wild preparing for a new war...in South Korea." Contrary to the views of the "modern revisionists," it was necessary to wage a militant struggle to "inflict blows on the imperialists, bring pressure on them, and bind their hands and feet." An essential ingredient in this struggle was "fanning the flames of the national liberation movement," and in particular "fanning the flames of the anti-American and national salvation movements...for driving the US aggressive forces from South Korea." In view of these pronouncements, it was not surprising that Peiping featured North Korean commentary on the Moscow conference above that of any other nation in the bloc.

Equally revealing have been North Korea's pointed declarations of friendship and support for Albania, the European satellite which has consistently backed Communist China in the Sino-Soviet dispute and which, accordingly, has aroused Soviet ire. In an unusually laudatory article in late November, the semiofficial government organ Minju Chosen asserted that "our two countries are very close to each other, like real brothers, because of common ideology and aims," and that "no force on earth can break the invincible friendship and solidarity between the Korean and Albanian peoples."

The address of the North Korean delegate to the Albanian party congress in mid-February 1961 contrasted sharply with that of his Soviet counterpart. Whereas the Russian representative attacked the Albanian party leaders (obliquely, of course) as "renegades...foaming at the mouth in fits of hatred and hostility against our party," Pak Kum-chol praised the Albanian Workers' party for "firmly preserving the purity of Marxism-Leninism" and once again hailed the "invincible friendship and solidarity formed between our two peoples and two parties."

Most important of all, North Korea explicitly recognized Communist China as co-leader of the Communist bloc following the Moscow conference. By referring to "the socialist countries led by the Soviet Union and the Chinese People's Republic," an editorial in the official organ of the Korean Workers' party on 12 December appeared to be announcing the arrival of a new stage in intra-bloc relations. In view of its previous record of sympathy and support for Communist China, it was fitting that North Korea should reveal what was perhaps the most significant result of the Moscow conference: the emergence of "polycentrism" as a reality within the international Communist movement. 25X1

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