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12 October 1961

# CURRENT INTELLIGENCE WEEKLY SUMMARY



State Dept. review completed

DIA review completed.

CENTRAL INTELLIGENCE AGENCY  
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T H E W E E K I N B R I E F

EAST-WEST DEVELOPMENTS . . . . . Page 1

Statements by top Soviet and East German leaders on the occasion of the East German anniversary celebrations omitted references to a year-end deadline for a German peace treaty. The implication that the deadline may be withdrawn has been accompanied by suggestions from bloc officials that the Berlin issue will be resolved in negotiations and that Gromyko's talks were an initial step in this direction. The position taken by Gromyko in his talks in the US was reflected in Ulbricht's statement on 6 October that, before a peace treaty is signed, agreement should be reached on "special arrangements" for a Berlin settlement and on the "requisite declarations" of guarantees for Berlin, which would become part of any treaty.

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REACTION IN EASTERN EUROPE TO THE BERLIN CRISIS . . . . . Page 3

Most East Europeans appear to have reacted nervously to the East-West crisis over Berlin. The Communist regimes have taken steps, with only limited success, to reassure the public. Overt expressions of popular concern in East Germany, Poland, and Hungary appear to have diminished in the last two weeks; in Czechoslovakia and Bulgaria, they appear to be continuing.

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SUSPECT ELEMENTS MOVED FROM EAST GERMAN BORDER ZONE . . . . . Page 4

In a one-day operation, the East German regime on 3 October evacuated residents it deemed politically unreliable from a five-kilometer-wide belt along the 856-mile East-West German frontier. The evacuation, carefully planned for several weeks and executed on the ground that it was necessary to secure the frontier against West German provocations, proceeded smoothly, with no reports of serious resistance. For the time being, the regime apparently plans no further measures in the area.

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LAOS . . . . . Page 6

King Savang is expected to designate Souvanna Phouma soon as premier of a provisional coalition government. Still to be negotiated are the major problems regarding the balance within the "neutralist" center group of the cabinet, the apportionment of specific portfolios, the timing and method of reducing and integrating the armed forces, and the scheduling of national elections. The military situation, meanwhile, remains generally quiet. At Geneva, the conference cochairmen are still at odds over the future role of the International Control Commission in Laos.

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SOUTH VIETNAM . . . . . Page 7

Communist forces continue efforts to expand their areas of control in South Vietnam. The level of Communist activity reached a new high in September, and the appearance of large bands over a wide area indicates a trend toward use of more conventional military units. The apparent Communist effort to build up a stronghold north of Saigon near the Cambodian border, as well as the increased Viet Cong capability farther to the north, probably reflects stepped-up support from North Vietnam via Laos. Further Viet Cong attacks on an increasing scale can be expected.

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MIDDLE EAST DEVELOPMENTS . . . . . Page 9

The new government in Syria appears firmly established and has received general international recognition. Prime Minister Kuzbari's most difficult job during the next few months prior to elections will be to resist pressures from Syria's varied political groupings for special consideration. In Lebanon, the aftermath of the Syrian revolt may be a cabinet change, with moderate Moslem Husayn al-Uwayni taking over from the more pro-Nasir Saib Salam. Jordan's King Husayn believes the Syrian coup has blunted Nasir's threat to his country; however,

the blatant rigging of parliamentary elections scheduled for 19 October has also contributed to the unsettled conditions.

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CONGO . . . . . Page 11

The UN and Western powers are continuing efforts to bring about talks between Tshombé and Premier Adoula. An exchange of conciliatory messages between Elisabethville and Leopoldville may lead to increased contact between the two groups. The cease-fire in Katanga is still tenuous; neither the UN nor Katanga appears anxious to resume hostilities, but each side is taking steps to improve its military position.

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FRANCE-ALGERIA . . . . . Page 12

De Gaulle plans to visit Algeria before mid-November, presumably to make some move toward instituting a provisional executive body to supervise a referendum. The rebel provisional Algerian government (PAG), which has been meeting this week to consider its position in negotiations with Paris, is dubious about De Gaulle's ability to control European extremists and the army, and to implement a negotiated settlement. Meanwhile, in what appears to be a trial balloon for the benefit of both the PAG and the French public, a Gaullist leader has argued that the only feasible solution now is to partition Algeria into three autonomous regions which might eventually federate.

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INDUSTRIAL POLICY IN COMMUNIST CHINA . . . . . Page 14

Recent announcements by the Chinese Communist regime indicate that it will continue through 1962 a redirection of industry to more conservative policies aimed at bringing output, quality, and costs into proper balance--following the excesses of the "leap forward." While the theories of mass action advocated by Mao Tse-tung and Liu Shao-chi during the "leap forward" period (1958-60) still receive lip service, they are in practice being set aside by economic planners in both industry and agriculture in favor of more orderly planning and administration. This should facilitate industrial recovery in 1963 if agricultural problems are no longer a major obstacle.

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CHINESE COMMUNISTS REPLACE PARTY LEADERS IN PROVINCES . . Page 15

About one fifth of the provincial party bosses in Communist China have been replaced during the past year. The regime's shift to a more conservative economic program appears to have been a factor in the replacement of some first secretaries who were overzealous in implementing "leap forward" policies. Ethnic minority unrest probably played a part in other personnel changes. The situation in this respect may be particularly bad in Tsinghai Province, where a former vice minister of public security has been named acting first secretary.

[redacted]

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AFGHAN-PAKISTANI DISPUTE . . . . . Page 17

The deadlock between Afghanistan and Pakistan continues as each waits in the hope that Washington will move to obtain concessions from the opposing side. Afghanistan remains firm in its refusal to use the Pakistani route for foreign trade, and both countries are taking steps which will speed the diversion of nonbloc trade with Afghanistan to the Soviet route. Moscow appears to be exploiting the crisis to encourage greater Afghan reliance on Soviet economic cooperation.

[redacted]

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FINNISH-SOVIET RELATIONS . . . . . Page 17

Finland's President Kekkonen, who begins an official visit to the United States on 16 October, appears to be getting increasingly open support from the USSR for reelection next January. Soviet President Brezhnev on his 22-30 September visit to Finland singled out Kekkonen as the man best suited to maintain good Finnish-Soviet relations. Moscow probably hopes to exploit Kekkonen's policy of maintaining cordial relations with the USSR to gain Finnish participation in a peace conference to sign a bloc treaty with East Germany.

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BRITISH EAST AFRICA . . . . . Page 20

The pace of political development in East Africa has been accelerated with the announcement in London that Uganda is to achieve independence in October 1962. This announcement will increase agitation in Kenya and Zanzibar for early independence. However, in these states as well as in Uganda itself, basic racial and tribal tensions have not been relieved, and London must contend with internal African factionalism as well as the problems of white and Asian minority groups before bringing these territories to independence.

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POLITICAL UNREST IN ECUADOR . . . . . Page 21

A Communist-promoted general strike which began in Ecuador on 4 October was only partly effective but generated violence in three northern provincial cities which caused President Velasco to place these areas under military rule. The strike, which was the most serious threat he has faced since taking office in September 1960, has now subsided; but, partly as a result of pressure from military and other right-wing elements, Velasco is apparently considering a crackdown on the activities of the Communist party and a diplomatic break with Cuba.

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COLOMBIA . . . . . Page 22

Growing unrest and an abortive rebellion by a small army unit led the government to extend the partial state of siege to all 17 departments on 11 October. The government is concerned about the recent capture of a unit of marines by a sizable pro-Communist guerrilla force in eastern Colombia and the possibility of new violence in this remote area which could spill over into neighboring Venezuela. The centers of the rural violence--which has caused an estimated 250,000 deaths since 1948--have shifted periodically, but in recent months it has been concentrated in the central-western part of Colombia. The government believes the unrest is directed by Communists and that they plan to extend the movement westward.

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BOLIVIA . . . . . Page 23

Bolivia's continuing political instability is reflected in new violence earlier this month in Santa Cruz. The chronic danger of disorders and rioting by labor and peasant groups has been increased by the release from prison last month of some 30 Communist labor agitators. However, the long-term downward trend in the Bolivian economy which has been a deep-seated cause of instability shows some signs of being reversed.



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### SPECIAL ARTICLES

SOVIET TACTICS IN THE BERLIN CRISIS . . . . . Page 1

The pattern of Soviet actions over the past three months in the Berlin crisis underscores the dilemmas confronting Khrushchev which have led him to place growing reliance on tactics of blackmail and intimidation. His efforts following the Vienna meeting with President Kennedy in June to convince the West that he was deadly serious in his intention to bring the Berlin situation to a head before the end of the year had the result of increasing the refugee flow from East Germany and of stiffening the American attitude. The timing of the resumption of nuclear testing reflected Khrushchev's serious concern that his Berlin strategy had been jeopardized by the closure of the Berlin sector border and by the failure of earlier demonstrative military moves to produce a change in the Western attitude. Khrushchev appears, however, to recognize the dangers of a situation in which both sides might feel themselves confronted with the alternatives of a humiliating retreat or a dangerous showdown. He now is seeking a way out of this impasse by hinting at a compromise solution on Berlin which would preserve a Western position in the city and, at the same time, facilitate the signing of a separate peace treaty with East Germany.



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THE FORTHCOMING SOVIET PARTY CONGRESS . . . . . Page 6

The 22nd Soviet party congress is scheduled to convene in Moscow on 17 October. Khrushchev not only will deliver the major speech--the report of the central committee--but will also present the new party program, a broad outline of policy to guide the party over the next 20 years. It will afford him the opportunity to expound Soviet foreign policy and may give the West a better idea of the course of action he plans to take on the Berlin question.



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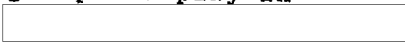
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OPPOSITION GROUPS IN SPAIN . . . . . Page 11

While Franco's opponents appear to have no prospect of attaining power in Spain so long as he remains on the scene, his regime continues unpopular, and opposition elements are making some progress toward reconciling factional differences. In recent months some of the non-Communist left-of-center parties have shown a willingness to facilitate joint action by agreeing in principle to restoration of the monarchy. Such collaboration would increase the chances for these moderate groups to play an important role in the post-Franco era.



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**CONFIDENTIAL****CURRENT INTELLIGENCE WEEKLY SUMMARY****EAST-WEST DEVELOPMENTS**

The bloc has maintained a reserved attitude on Berlin, probably pending an assessment in Khrushchev's report to next week's Soviet party congress on Gromyko's talks in the US and the UK. The statements of Soviet and East German officials during the celebrations East Germany's 12th anniversary on 7 October were notable for the failure to reiterate the year-end deadline for the conclusion of a German treaty. While bloc pronouncements maintained a sense of urgency and threatened a separate East German treaty, the terminology employed was purposely ambiguous.

The Soviet party's message of greeting to East Germany stated that the treaty would be signed in the "very near future," but First Deputy Premier Mikoyan, who headed the Soviet delegation to the celebrations, merely asserted that the bloc was "vigorously pressing for a treaty." In impromptu remarks at Karl-Marx-Stadt on 8 October, Mikoyan went so far as to say, "We are not in a hurry, but we do not wish to delay the signing of a peace treaty." In his major address Ulbricht also omitted any mention of a deadline.

However, the Czech and Polish delegates both used the usual warning of a separate treaty "before the end of the year," and Erich Correns, president of East Germany's national Council, stated that the celebrations were being held "a few weeks before the conclusion of a German peace treaty." Gomulka

on 8 October said a separate treaty would be signed "this year."

Although Soviet press coverage of the East German anniversary was considerably heavier than last year, the speeches and editorials printed by Moscow also omitted any time limit. A Pravda editorial of 7 October mentioned the "immediate conclusion" of a German treaty, and presidium member Suslov said that the question is not whether a treaty will be signed, but only whether both German states will sign it.

The implication that the deadline may be withdrawn has also been accompanied by continued suggestions that the Berlin issue can be resolved through negotiations. One of the main themes of Soviet press reporting on the East German anniversary was that Gromyko's talks in the United States represented an initial step in a process which would lead to a peaceful resolution of the Berlin problem. Mikoyan, in his major speech in East Berlin, picked up this theme by stating that world opinion was urging talks between East and West on a "peaceful adjustment of pressing international problems," and that the Soviet Government is ready to take part in such talks. Gomulka in a speech on 8 October stated that formal negotiations should follow the talks in the US.

Bloc acceptance of the US willingness to participate in

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constructive negotiations, however, is qualified. Pravda stated on 7 October that in the "governing circles of the Western powers the desire to consider the question of a German peace settlement does not exist." Ulbricht took a similar line, stating that while "we positively assess" President Kennedy's readiness to negotiate, "he avoids the main question" of a German settlement. On the other hand, both the Soviet and East German press assert that the West is becoming increasingly aware that the two German states exist and must be recognized.

In his informal remarks upon arriving in London for talks with Prime Minister Macmillan and Lord Home, Gromyko told the press that as a result of his talks in the US, "there is a possibility of a peaceful Berlin settlement." Moscow's only direct comment on Gromyko's talks with the President took the form of a TASS report in Pravda quoting Secretary Rusk as having said that Gromyko's talk with the President was conducted in a good, constructive atmosphere, although there was still no indication of what possibilities existed for reaching agreement on the conditions of formal negotiations.

Public statements by various bloc spokesmen have begun to reflect the position taken by Gromyko in his talks in the US. Ulbricht on 6 October acknowledged that the Western powers have a "certain interest" in the Berlin question and that the bloc was interested in arranging "the gradual transformation of West Berlin into a demilitarized free city, as far as possible in agreement with the Western powers." He said that both sides had an interest

in agreeing on "special arrangements" for a solution of the Berlin problem and in arranging the "requisite declarations" containing guarantees before the conclusion of a peace treaty --such arrangements then becoming a part of a peace treaty and thus attaining "validity under international law." Ulbricht's reference to "declarations" to be incorporated in a peace treaty suggests that the bloc may be prepared to accept something less than East German signature of an accord on Berlin.

In addition, the reference to a "gradual transformation of West Berlin into a demilitarized free city" suggests that the bloc will bargain over the question of a time limit on Western presence in Berlin. In this connection a West German newspaper quoted Soviet sources in East Berlin as stating that the USSR would give permanent guarantees for Berlin only if the West agreed to recognition of the division of Germany and the creation of a thinned-out military zone in Germany.

Ulbricht also stated that if West Germany refused to sign a treaty, a separate bloc treaty would nevertheless still be open to Bonn's accession at a later date. While the original 1959 draft treaty included this provision, Ulbricht's mention of it at this time suggests that Moscow may be moving toward a short or truncated treaty which would leave open certain military questions for future negotiations. This would be in line with the renewed emphasis on the question of partial disarmament steps in Central Europe and the stress on agreed prohibition of the possession or manufacture of nuclear weapons by either German state.

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REACTION IN EASTERN EUROPE TO THE BERLIN CRISIS

Most of the East European peoples appear to have reacted nervously to the East-West crisis over Berlin. The Communist regimes have taken steps, with only limited success, to reassure the public.

Because of the governments' support for the USSR's position on Berlin, long-dormant popular attitudes and fears have come to the surface. Czechoslovaks and Poles, in particular, doubt that they would survive an East-West conflict, especially the fall-out from nuclear weapons used in Europe. The regimes also face the problem that their populations are basically hostile to the Communist cause.

In the first two weeks of September, the Polish and Hungarian regimes, admitting for the first time the existence of a war scare, sought publicly to stem manifestations of it. Polish Foreign Trade Minister Trampczynski on 5 September admitted to US Embassy officers that Poles in certain outlying districts had been scare-buying, and added that the sale of sugar and flour had been limited to two kilograms per customer. Embassy officers, while noting no such restrictions on sales in Warsaw, reported evidence of scare-buying in several other areas in Poland.

A near riot ensued in a Warsaw district when police on 9 September attempted to arrest suspected black-marketeers near a market crowded with hoarders. Wide-scale bank withdrawals were also reported. Polish party leader Gomulka, in an attempt

to cap the situation, told the Polish people on 10 September that although military preparations were necessary, there was no reason to hoard.

War fears and panic buying apparently began quite early in the Hungarian countryside. A local paper on 24 and 29 August denounced panic-mongers who cause hoarding of foodstuffs. Similar indications have also come to light in at least two other provinces. Central committee member Szakasits, just returned from East Germany, spoke over Radio Eudapest on 13 September reassuring the Hungarian people that no one in East Germany is buying up salt, kerosene, candles, or canned goods. He denounced the apparently widely held view that saline baths are an effective antidote to atomic radiation.

US Embassy officers in Czechoslovakia have concluded from reports reaching them that there has been a war scare in that country since the first days of the Berlin crisis. This may be due in large part to the early and rather extensive Czech military preparations. According to a report of early September, fear of war was greatest along the West German border, where Czechs believed that the West Germans would reclaim real estate formerly German owned in the event of a successful Western invasion. Hoarding and a general war scare that were hampering the harvest had become so marked by the end of September that politburo members fanned out over the country on 1 October

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to "explain" the Berlin crisis to the people.

There are several reports of poor morale in Bulgaria due both to rumors of mobilization and to food shortages. Flour and sugar allegedly are in short supply, and bread is being rationed in the countryside. The US Legation commented, however, that the shortages may be due to stockpiling rather than to scare-buying.

All of the regimes in East Europe have undertaken campaigns in which party agitators have gone out among the people to deal with these problems. The Hungarian daily Nepzabadsag, for example, on 21 September called for youths, women, and candidate party members to be pressed into service along with full members in the indoctrination task. Some activists,

however, apparently have over-sold their case and succeeded only in antagonizing rather than persuading those "whose intentions are good but who do not see clearly on a question of policy."

Rumanians have exhibited little concern. The US Legation in Bucharest has noted no hoarding and has reported only "desultory" discussions of civil defense and "the dangers of West German militarism." There have been no reports on the reaction of the Albanian people to the international situation.

The success of regime counter-measures in East Europe has been mixed. Overt expressions of popular reaction in East Germany, Poland, and Hungary appear to have diminished in the last two weeks; in Czechoslovakia and Bulgaria they appear to be continuing. 25X1

## SUSPECT ELEMENTS MOVED FROM EAST GERMAN BORDER ZONE

On 3 October, hand-picked teams of party stalwarts, aided by the People's Police and units of the armed workers' militia, evacuated the five-kilometer-wide East German border zone of residents and their families deemed politically unreliable by the Ulbricht regime. The evacuation proceeded smoothly and was completed for the most part in one day under the on-the-scene supervision of central committee functionaries and district party officials and the

over-all direction of Erich Honecker, party secretary for security affairs.

There were only isolated incidents of overt resistance from the intimidated population. There are no estimates of how many were affected or reliable indications of how far into East Germany they were transported. The deportees and their household goods were moved by truck 25X1

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

[redacted]  
[redacted] the evacuees were resettled at the extreme easternmost part of their local counties or in nearby localities.

The evacuation followed several weeks of methodical preparation. The regime on 14 September ordered police re-registration of all inhabitants of a five-kilometer-wide belt on the eastern side of the East-West German border, stretching 356 miles from Gutenfurst-Hof in the south to Schoenberg-Luebeck in the north. As part of the re-registration, personal identity cards for residents of the zone were invalidated as of 30 September and new cards were issued valid only for 90 days and presumably renewable four times a year. Local party and government officials apparently were not told the true purpose of the re-registration. District party officials, working with employees of the central committee, drew upon police dossiers and information obtained during the re-registration to compile lists of those to be evacuated.

During the night of 2-3 October, border zone villages reportedly were surrounded by police and militia; trucks assembled from all over East Germany were parked on the outskirts of the villages, while district party officials woke local party secretaries and told them that the evacuation was to begin. Those who were to be moved then were given two hours in which to pack their household possessions and other belongings.

According to the West German Ministry for All-German Affairs, which released what purports to be the text of a 14 September East German Ministry of Interior directive governing the evacuation, residence within the five-kilometer belt now is restricted to those "whose attitude in the past guarantees that the security of the border areas is not endangered." It is automatically denied to returnees from West Germany and West Berlin, foreign nationals or stateless persons, former felons, evacuees from other areas, "former members of the S.S. and incorrigible Nazis," and others whose loyalty to the Ulbricht regime is suspect for any reason.

No one is to be permitted to live within 500 meters of the border, and permission to work within the 500-meter belt will be determined "by a particularly strict yardstick, especially with regard to persons under 25 and persons whose next of kin have illegally left the GDR." No motor vehicles will be permitted within the 500-meter belt, and only in exceptional cases will they be allowed in the wider five-kilometer "closed zone."

On 5 October, the local East German press published a Ministry of Interior announcement that "a number of citizens who up to now have lived in the five-kilometer restricted zone" had been moved in order to "protect the peace and protect their lives" against West German provocations. [redacted]

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## LAOS

Boun Oum, Souphannouvong, and Souvanna Phouma agreed on 8 October that Souvanna should head the new coalition government. Agreement was also reached on the establishment of a cabinet consisting of a "neutralist" center group with eight members and two four-member groups representing Vientiane and the Pathet Lao. Souvanna and a deputy premier, yet undesignated, are to hold two of the cabinet portfolios.

On 10 October, General Phoumi informed King Savang in Luang Prabang of the princes' decision and requested an audience for Souvanna, at which time the King could formally designate him formateur of the new government. The King granted the request and invited Souvanna to visit the royal capital at his convenience. Souvanna has proposed that the audience be made a state occasion, with the three princes and the diplomatic corps in attendance.

The agreement on Souvanna as premier-designate eliminates only one of several obstacles to the creation of a genuinely neutral Laotian government. Major issues still to be negotiated by the princes include the balance between members of Souvanna's coterie at Xieng Khouang and other "neutralists" in the eight-member center group, the apportionment of specific portfolios, the timing and method of reducing and integrating the rival armed forces, and the scheduling of national elections.

Royal Laotian Government forces continue limited patrols in northern Laos, while further patrol operations are scheduled for the central and southern zones.

The focus of the Geneva conference during the past week has been the bilateral conversations between the two cochairmen on fundamental questions relating to the International Control Commission (ICC) in Laos. Soviet delegate Pushkin stated that agreement might be reached to allow mobile ICC teams to in-

vestigate a reported cease-fire violation but that they would have to return to Vientiane when their investigation was complete. The West maintains that the commission must have free and unrestricted access to all parts of Laos and that permanent ICC inspection posts must be established throughout the country. Pushkin has refused to discuss this latter proposal except in connection with the ICC's supervision of the withdrawal of foreign personnel from Laos.

On 9 October the Soviet representative told Ambassador Harriman that US insistence on the issue of permanent ICC posts throughout Laos could lead the conference "to a dead end." Pushkin said that the Chinese had shown special concern in opposing this Western demand and went on to assert that the US could not have the ICC take preventive measures in anticipation of a violation by the Viet Minh and still expect the latter to sign any accord at Geneva.

In a 4 October conversation with the chief UK delegate at Geneva, Pushkin reiterated his conviction that final agreement would be reached at Geneva. However, it is becoming increasingly apparent that the USSR intends to stall on all questions relating to the powers and functions of the ICC until a full discussion of the voting procedure has been aired. On this matter, the Soviet representative has so far been adamant that the bloc's demand for unanimity must be met; he claimed that it was because of the majority provision for voting that the ICC had been forced to leave Laos with disastrous results in mid-1958.

While Pushkin told Ambassador Harriman on 9 October that the USSR might accept a majority vote on procedural issues if matters of principle would require unanimous decisions, he strongly objected to the idea that undertaking of investigations by the ICC would be only a procedural matter. He insisted that the ICC must be considered a "unitary organ" for the purpose of investigations and reports.

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## SOUTH VIETNAM

The level of over-all Communist activity--attacks, sabotage, terrorism, political demonstrations--in South Vietnam set a new high in September over the previous record of last July. The Communists also operated in larger bands over a wide area, indicating a trend toward greater use of units of the conventional army type.

Although Viet Cong activity continues to be concentrated primarily in the southern portion of South Vietnam's Third Corps military zone, the Communists appear in recent weeks to have been building another stronghold relatively secure from government countermeasures to the north of Saigon. The most striking example of this was the Viet Cong's temporary capture on 18 September of Phuoc Vinh, capital of Phuoc Thanh Province. This build-up would re-create near the Cambodian border a strategic base used by the Viet Minh against the French.

The appearance of battalion-size units during September in this area and in the First and Second Corps military zones

bears out reports, prevalent during a slack period of Viet Cong activity in early 1961, that the guerrillas were regrouping and retraining. There is also a strong possibility that the improved strength, organization, and direction of the September attacks in the northern region in particular are due to stepped-up infiltration through Laos and to the possible employment of regular North Vietnamese units operating from southern Laos. Further Viet Cong attacks on an increasing scale can be expected.

Government forces are continuing combined sweeps in the southern provinces, where they scored some dramatic successes this summer. At the same time, President Diem's efforts to promote civic improvement programs in rural areas in recent months have not yet rallied significant popular support.

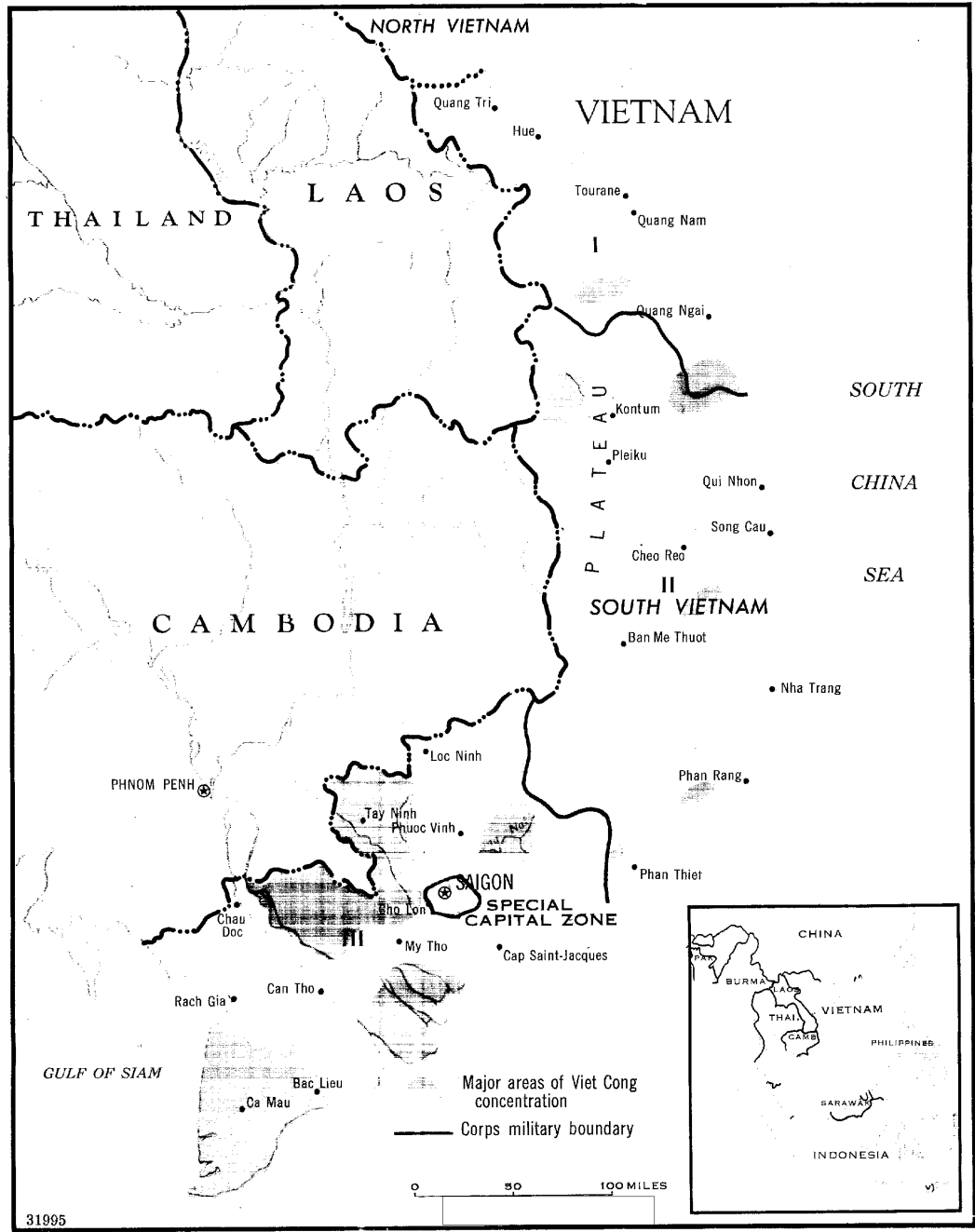
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### Communist Guerrilla Activity in South Vietnam



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## CENTRAL INTELLIGENCE WEEKLY SUMMARY

## MIDDLE EAST DEVELOPMENTS

Egypt-Syria

The military-civilian regime in Damascus appears firmly established and has received general international recognition. Nasir's conciliatory speech of 5 October--disavowing any opposition to Syrian acceptance into the UN and the Arab League--appeared to most countries to be an invitation to establish normal relations with the new Syria without risking alienation of the UAR President. Although the new regime might have been expected to receive Nasir's statement with relief, the official reply was a stiff contradiction of Nasir's portrayal of his three-and-one-half-year rule over Syria and resentment of his "patronizing" air.

Mamun Kuzbari, at first designated "premier" but now titled "Executive Council president," apparently welcomed Nasir's speech at first, but his initial remarks were officially withdrawn and the uncompromising final response substituted. The Cairo press quickly called attention to this curious maneuver as reflecting friction between the civilian Kuzbari and the military clique which brought off the coup of 28 September. A military spokesman has already stressed the fact that the revolutionary movement was planned and executed by military officers alone. The revolutionary decree appointing Kuzbari--and perhaps the dropping of the title "premier"--emphasized that he was to serve only until the "restoration of constitutional conditions."

Kuzbari's most difficult job during the next three or four months will be to resist pressures from Syria's varied political groupings for special consideration from his interim government, particularly pressure for the reversal of some of the social and economic changes set in motion during the Nasir years.

Besides having to contend with such demands from business elements, Kuzbari will have to reconcile the varying views of the socialistic pan-Arab Baath party, the old-line conservative Nationalist and Populist parties, Communists, and the trade unions. The Syrian Army will also remain ready to act again if its desires are not fulfilled; between 1949 and 1954 it carried out five coups against civilian governments which it believed were threatening its position.

The sizable residue of pro-Nasir feeling that remains in some segments of the above groups--excluding the Communists--will also be a latent threat to the new regime. Despite Nasir's overtly conciliatory behavior, he is unlikely to miss any opportunity that promises hope of bringing down the Damascus government, which the Cairo radio and press continue to label "secessionist and reactionary."

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**CONFIDENTIAL****CURRENT INTELLIGENCE WEEKLY SUMMARY**Lebanon

Considerable political turmoil has occurred in Lebanon in the aftermath of the Syrian revolt. Moslems tended to back Nasir, while Christians supported the new Syrian regime. Pro-Nasir demonstrations were allowed full play by Moslem Prime Minister Saib Salam until threats by Christian ministers and pressure from President Shihab led the government to ban all demonstrations, suspend licenses for carrying arms, and forbid the display of pictures of non-Lebanese political leaders.

President Shihab, who has been displeased with Salam for some time, probably will carry out a cabinet change in the near future. Although Salam's arch-rival Rashid Karami expects to become prime minister, it appears that the President has Husayn al-Uwayni in mind. Shihab may feel that Uwayni, a moderate Moslem leader with a long association with King Saud, is the best choice at a time when Lebanon must tread warily between friendship with Nasir and the necessity of doing business with its neighbor Syria.

Jordan

King Husayn's elation over the breakup of the Egyptian-Syrian union obviously reflects his belief that Nasir's threat to Jordan has been blunted. However, the King's haste in being the first to recognize the new Syrian regime has antagonized the numerous pro-Nasir elements in Jordan, especially in Palestinian West Jordan. Most Palestinians have regarded Nasir as the leading champion

of their cause against Israel.

Jordanian Palestinians, moreover, have long resented what they regard as their insufficient representation and influence in Amman, a grievance which currently is highlighted by the government's blatant rigging of the parliamentary elections scheduled for 19 October.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## CONGO

The UN and Western powers are still trying to bring about talks between Tshombé and Premier Adoula. Both UN and Katangan forces have received reinforcements during the current cease-fire, but each side has avoided extreme provocations. An exchange of conciliatory messages between the Leopoldville and Katangan governments in early October indicated that direct contacts between the two groups may soon take place.

Relations between Leopoldville and Katanga appear to have reached a nadir in late September, following Adoula's blunt rejection of Tshombé's offer to meet him in neutral territory for negotiations. Adoula's attitude appears to have stemmed in part from Gizengist pressure to "destroy" Tshombé, and his statement was followed by rumors that Congo Army forces had crossed into northern Katanga. On 5 October, Adoula stated that he was prepared to guarantee Tshombé's safety should he come to Leopoldville. Tshombé, however, has continued to procrastinate, and to seek assurances of protection from the UN and from Western powers. On 9 October, Adoula advised Tshombé that he "sincerely wished" to meet with Tshombé or his emissaries, and some form of contact now appears likely.

Despite the conciliatory statements by both sides, early agreement on Katanga's reintegration with the Congo appears unlikely. Tshombé's posture concerning the holding of talks is consistent with his desire to appear the injured party in his dispute with the UN; Tshombé has, however, shown no sign of departing from his past insistence on virtual autonomy for

Katanga within any Congo confederation.

Militarily, the cease-fire in Katanga remains tenuous. The pressure of more than 30,000 anti-Tshombé refugees in camps near Elisabethville poses a continuing security threat to the Tshombé regime. Although both the UN and Tshombé appear anxious to avoid the onus for any new round of fighting, each has received significant reinforcements and each appears to regard itself as the stronger militarily. In an attempt to neutralize Tshombé's Fouga jet, the UN requested and has received jet fighters from Sweden and Ethiopia. Tshombé, in turn, has benefited from a continued influx of white volunteers.

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According to press reports, white volunteers are continuing to cross the Rhodesian border into Katanga to serve with Tshombé's forces. Although Tshombé, under considerable pressure from the UN, "dismissed" his mercenaries on 30 September,

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

few are believed to have left Katanga permanently. While some were repatriated by the UN in early September, the total number of white volunteers appears to have risen from around

500 to at least 600. The largest number of those repatriated by the UN were Belgians, while their replacements have tended to be Rhodesians and South Africans. 25X1

## FRANCE-ALGERIA

De Gaulle plans to go to Algeria before mid-November. He will apparently confine his visit to Rocher-Noir, the new administrative capital about 30 miles east of Algiers, to which Delegate General Morin and his ranking subordinates moved last month.

De Gaulle is reportedly expected during his visit to install a "consultative committee," which an official spokesman told the press last week would be the forerunner of a Moslem-European provisional executive charged with preparations for the self-determination referendum. Minister for Algerian Affairs Joxe was again in Algiers on 7 October to recruit members for the executive; this effort was delayed several weeks

ago when prospective Moslem members demurred, presumably because the rebel provisional Algerian government (PAG) had refused to acquiesce in their participation.

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the PAG met in Tunis this week to consider its position in negotiations with Paris amid persistent reports that secret talks have already produced agreement on many problems. However, there are indications that the PAG may raise another stumbling block by insisting on the release of Vice Premier Mohamed Ben Bella and other rebel leaders detained in France as a precondition for resuming negotiations.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

There have also been indications that the increasingly effective activities of the anti-Gaullist Secret Army Organization (OAS) in Algeria are causing the PAG to question De Gaulle's ability to control the army and the European settlers and to implement a negotiated settlement. The American consul general in Algiers reports that Europeans there are already uneasy over the prospect of a 50,000-man Moslem force.

Gaule's proposed visit on the grounds that it will almost certainly precipitate serious European demonstrations in urban centers. His tour of Algeria in December 1960--which did not include Algiers or other major cities--touched off settler riots and the first major Moslem counter-demonstrations, all of which had to be forcibly suppressed by security forces. The security situation will be further complicated during this period by the PAG's announced plans for a "national day" in Algeria on 1 November--the seventh anniversary of the rebellion.

If the PAG refuses to concur in establishment of an interim executive, De Gaulle may try to mollify army and European settler opponents of his Algerian policy by trying to impose a permanent partition plan. In what may have been a trial balloon, a leading Gaullist National Assembly deputy published a series of articles in the Paris daily Le Monde at the end of September proposing establishment of separate independent Moslem and European political entities which would be encouraged to federate with an independent Sahara when current passions have subsided. The deputy estimated that less than a million people would have to be moved under this plan and noted that this is less than half those already displaced in Algeria.

The PAG would probably oppose such a solution violently, and French officials have tended to dismiss partition as infeasible. Nevertheless, various political elements in France have recently expressed increasing concern over the rights of Europeans who would face Moslem domination or deportation, and army spokesmen have long cited their commitments to both Europeans and pro-French Moslems that France would not abandon them to the PAG.

The incentive for early OAS action may have been increased by Paris' success in persuading Spanish authorities to detain 17 French rightist exiles--among them Lagailard and Ortiz, leaders of the Algiers rising of January 1960, and ex-colonels Lacheroy and Argoud, leaders of the military insurrection last April. Official French nervousness over the situation seems evident by the appearance off Oran this week of elements of the French Navy.

Security officials are displaying apprehension over De

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## INDUSTRIAL POLICY IN COMMUNIST CHINA

Recent announcements by the Chinese Communist regime indicate that it will continue through 1962 a redirection of industry to more conservative policies aimed at bringing output, quality, and costs into proper balance--following the excesses of the "leap forward." While the theories of mass action advocated by Mao Tse-tung and Liu Shao-chi during the "leap forward" period (1958-60) still receive lip service, they are in practice being set aside by economic planners in both industry and agriculture in favor of more orderly planning and administration. This should facilitate economic recovery in 1963 if agricultural problems are no longer a major obstacle.

Announcements during the recent National Day celebrations at Peiping generally repeated the line of industrial development taken at the plenum last January, when industry was ordered to "consolidate, fill out, and raise standards." A recent People's Daily editorial had added that the remaining two years of the Second Five-Year Plan (1958-62) will be devoted to carrying out this policy. In this article the main tasks of industry were given as: (1) strengthening the assistance to agriculture by devoting more production to agriculture; (2) increasing the supply of consumer goods by supporting light industry; and (3) coping with raw material shortages by increasing the productive capacity of the mining and lumber industries, with special emphasis on boosting the quality and quantity of coal output.

Current difficulties are being soft-pedaled in public statements which stress claimed achievements of the leap forward period. The vice chairman of the State Planning Commission argues in the Workers Daily of 30 September that the regime achieved its principal industrial

targets for the Second Five-Year Plan by 1960, leaving ample room in the remaining two years to "increase the variety of products, raise their quality, and muster greater aid to agriculture." He further defines the key objective of industry this year as aiding agriculture by enlarging the manufacture of farm implements and machinery, chemical fertilizer, and insecticides.

In pursuit of their industrial objectives there is evidence that the Chinese are in fact overhauling equipment, instituting more effective systems of quality control, re-emphasizing technical managerial skills as opposed to political qualifications, and returning to central authority the control over allocation of materials. By retreating from the policy of encouraging each plant to produce at maximum capacity regardless of the strain on equipment, state of the raw material supply, or usefulness of the product, the regime is reasserting its responsibility over the allocation function. Instead of forcing plants into a competitive race for purely quantitative goals of output, the new 1961 policies may curtail the operations of a plant because its equipment is due for a major overhaul, because it fails to meet the new standards of costs and quality, or because the current demand for its product is less than its capacity.

This new approach to the policy of allocation helps explain the many reports that plants throughout China are suspending or curtailing operations during 1961. The most common explanation--shortages of raw materials--is clearly applicable in the case of light industrial plants, where the shortage of agricultural products is obviously a crippling factor. In addition to the shortages of coal and iron ore widely reported in China, some plants in heavy industry are also squeezed by scarcity of materials

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

that are difficult to obtain readily either at home or abroad; a case in point is the dearth of cold rolled steel, apparently affecting production at China's Changchun truck plant.

For many plants in heavy industry, however, reported "shortages" may reflect not only the inability of the economy to furnish the materials but also the unwillingness of the authorities to allocate materials to that particular operation.

production of new freight cars was allowed to drop well below capacity in late 1960 and the first half of 1961, at the same time that priority was given for repairing and rebuilding old freight cars.

producer goods in general would receive low priority in 1961.

heavy machine-building factories designed to produce metallurgical equipment are also operating below capacity.

It thus appears that Peiping is taking action in the industrial field to back up the recently reiterated dictum that "socialist economy is planned economy; there must be a high degree of centralized and unified leadership." Only the excesses of the officially endorsed "leap forward" would seem to make such a repetition necessary.

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## CHINESE COMMUNISTS REPLACE PARTY LEADERS IN PROVINCES

Information recently published in the Chinese Communist press reveals that the party first secretaries have been removed in Honan, Tsinghai, and Kansu provinces and in the Kwangsi-Chuang Autonomous Region. The known dismissals bring to five the number of first secretaries who have been replaced in the past year.

Like Shu Tung, the First Secretary of Shantung Province who lost his position last autumn, Wu Chih-pu in Honan was an articulate advocate of the regime's more extremist policies; he was appointed first secretary after his predecessor's more moderate views had been denounced. The first intimation that Wu might be in trouble was his long absence from the public scene--he had not been noted in public for about a year. Then, Honan Daily on 26 August published an article which was strongly critical of "leadership cadres and offices" that made unrealistic plans in disregard of objective limitations. This was in marked contrast to the usual practice of blaming

those at lower levels for misunderstanding or misapplying "correct" party policy. Deteriorating morale among the party rank and file has apparently led Peiping to place the onus at a higher rank.

Wu was not expelled from the provincial party apparatus; instead he has been demoted to "second" secretary. The re-assignment as second secretary reflects the regime's shift toward more moderate economic policies, but suggests that the party does not regard his errors as overly serious.

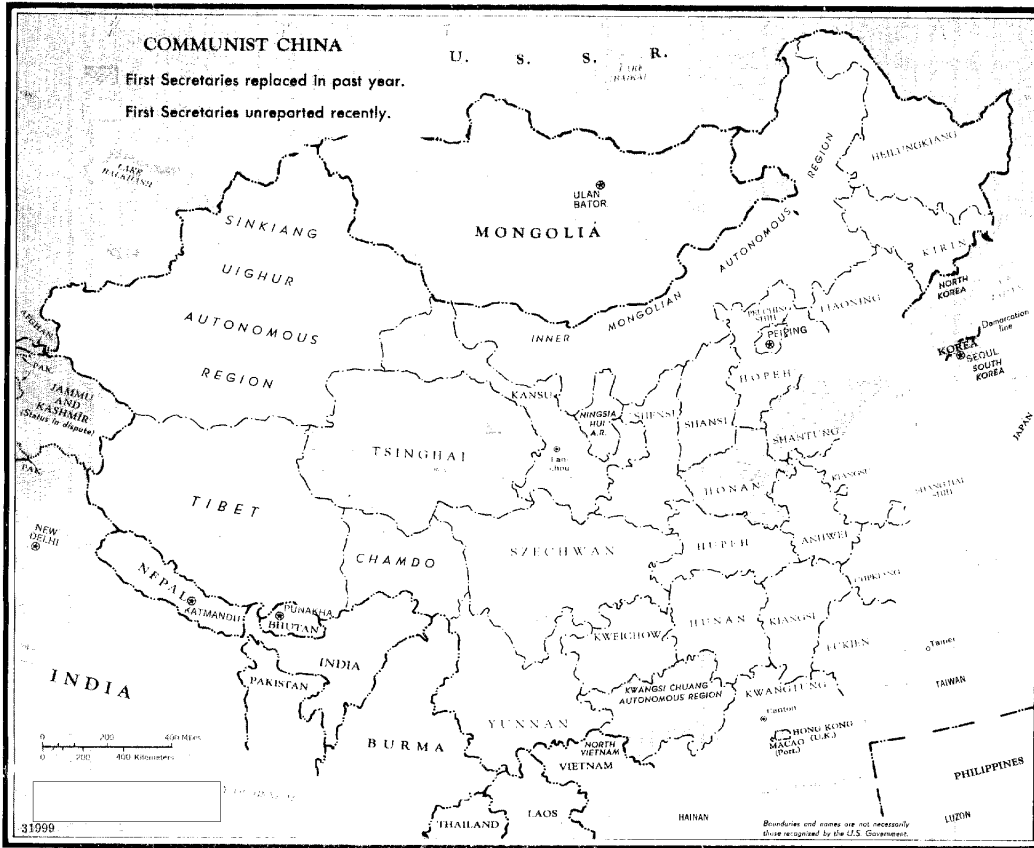
In Tsinghai Province, Wang Chao was identified as "acting first secretary." Wang served as vice minister of public security in Peiping until 21 July, when he was apparently reassigned to Tsinghai. Tsinghai is one of China's "outer provinces" with a large minority nationality population--mostly Tibetan--which has often resisted rule by the Chinese, especially in times of economic hardship. The last known fighting took place in 1958. Although there is no present

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CURRENT INTELLIGENCE WEEKLY SUMMARY



evidence of open rebellion in Tsinghai, the assignment of a public security man to head the provincial administration suggests the regime's concern over public disorders.

Minority problems may have played a role in the replacement of the party first secretary in Kansu Province. The Moslems have given the Chinese Communists considerable trouble; purges of "local nationalists" took place in both 1958 and 1960. There is no direct evidence that the first secretary of Kansu was removed for his inability to cope with minority problems, but his replacement, Wang Feng, is one of the regime's leading

experts in this field. Wang has served in Tibet, Ningsia Hui, and Tsinghai and is a vice chairman of the party's united front department.

Ethnic minorities constitute 37 percent of the population of the Kwangsi-Chuang Autonomous Region, where the first secretary has also been changed. Areas where party first secretaries have not been reported as attending recent functions include Kweichow and Hopeh provinces and the Ningsia Hui Autonomous Region. High-level shifts of personnel could have also taken place in some of these areas as well as in Shansi, where the provincial leader has been mentioned recently but without his party title.

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**CONFIDENTIAL****CURRENT INTELLIGENCE WEEKLY SUMMARY****AFGHAN-PAKISTANI DISPUTE**

The deadlock between Afghanistan and Pakistan continues as each waits in the hope that Washington will move to obtain concessions from the opposing side. Afghanistan remains firm in its refusal to use the Pakistani route for foreign trade, and both countries are taking steps which will speed the diversion of nonbloc trade with Afghanistan to the Soviet route.

Moscow appears to be exploiting the crisis to encourage greater Afghan reliance on Soviet economic cooperation. The Soviet transit route is apparently now being made as economically feasible for nonbloc shipping as the Pakistani route had been before Afghanistan closed its border with Pakistan

UNCOD

Soviet POL deliveries to Afghanistan have been resumed, at least for the time being. This will assist Afghan trucking, which forms the backbone of

the country's transportation system, to return to nearly normal operation. It will also increase Afghanistan's military capability.

Moscow may urge Kabul to depend almost entirely on the USSR for the Afghan Second Five-Year Plan's foreign assistance requirements, since American aid projects now seem endangered by the disruption of supply lines through Pakistan. An Afghan economic delegation arrived in Moscow on 4 October to negotiate a new Soviet aid agreement. Kabul has been counting on several hundred million dollars' worth of assistance from the USSR for the plan, scheduled to begin in early 1962.

Meanwhile, Pakistan has requested nonbloc shippers to stop sending goods bound for Afghanistan to Pakistan until the present congestion of transit facilities is relieved, warning that it will soon be obliged to auction off uncleared goods if Kabul refuses to open the border.

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**FINNISH-SOVIET RELATIONS**

Finland's President Kekkonen, who begins an official visit to the United States on 16 October, appears to be getting increasingly open support from the USSR for re-election next January. Moscow probably hopes to exploit Kekkonen's policy of maintaining cordial relations with the USSR to gain Finnish participation in a peace conference to sign a bloc treaty with East Germany.

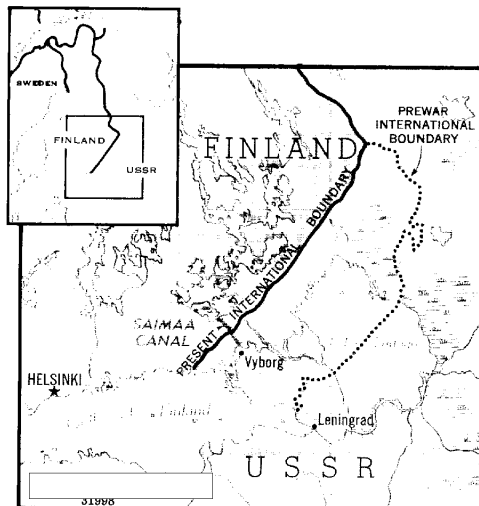
Soviet President Brezhnev, during his 22-30 September visit to Finland, made many laudatory remarks about Kekkonen and clearly indicated that the USSR regards him as the leader best suited to preserve good relations between the two countries. The Finns and the Russians are negotiating an agreement which will enable to Finns to lease and use the Soviet portion of the Saimaa Canal connecting the

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CURRENT INTELLIGENCE WEEKLY SUMMARY

lake system of eastern Finland with the Gulf of Finland, and there are indications that Kekkonen may visit Moscow in order to sign the agreement before the January election. Such an agreement would enhance the claim of Kekkonen's supporters that he is the man who can best manage Soviet-Finnish relations and also increase his popularity with the farmers of eastern Finland.



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pects for maintaining its own neutrality.

The USSR places much propaganda value on good Finnish-Soviet relations as an example of peaceful coexistence. At the same time, the USSR has not hesitated in the past to employ economic coercion, and it is now in a position to do so again since negotiations for a 1962 trade protocol are scheduled to begin this month. Finnish-Soviet trade in 1960 amounted to \$291,000,000; although the Soviet Union's percentage of Finnish trade has declined in recent years--to 14.7 percent of Finland's imports and 14.2 percent of its exports in 1960--Finland obtains most of its oil from the USSR and markets its high-cost ships there. In 1958 the USSR toppled the Fagerholm coalition government by refusing to negotiate a trade protocol for 1959 until the Fagerholm cabinet was replaced with one more to Moscow's liking.

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[redacted] in two formal speeches Brezhnev advocated a peace treaty with East Germany, adding that the Soviets "rejoice that our neighbor and friend Finland gives its valuable contribution to the cause of strengthening peace." The USSR has listed Finland among those to attend a German peace conference; but the Finns, who have been reluctant to recognize East Germany, could claim that since they were not at war with Germany they need not participate. Finland was nevertheless one of the few non-bloc countries to be represented at the recent celebration of East Germany's twelfth anniversary.

Brezhnev also reportedly encouraged Kekkonen to raise the idea of a Scandinavian and Central European neutral zone during his visit to the United States. Many influential Finns, including Kekkonen, subscribe to this long-standing Soviet objective, since any enlargement of the area of neutrality would increase Finland's pros-

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## BRITISH EAST AFRICA

The pace of political development in East Africa has been accelerated with the announcement in London that Uganda is to achieve independence on 9 October 1962. This announcement is likely to increase Kenyan agitation for early independence, as well as to renew similar pressure by Zanzibari Arabs. However, if London had resisted the growing African pressure for independence, widespread violence would probably have resulted. Britain's trust territory of Tanganyika is scheduled for independence on 9 December 1961.

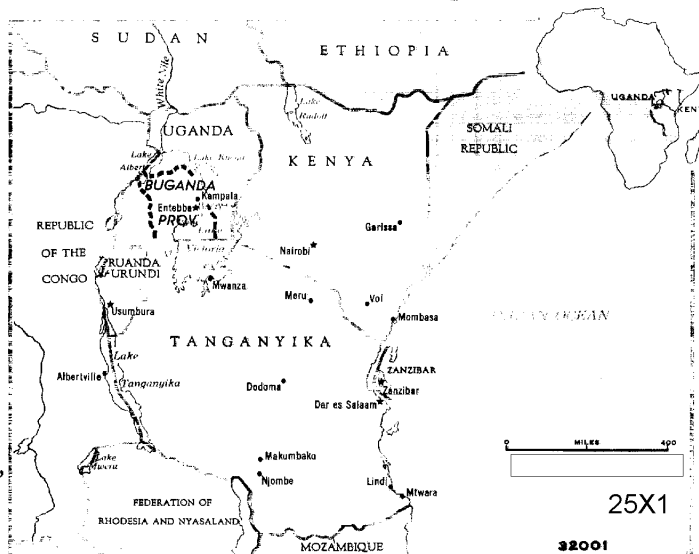
Constitutional talks between British representatives and delegates from Kenyan and Ugandan nationalist groups have not generally been harmonious because of factional infighting among the Africans. In Uganda the chief difficulty has been the status of the rich province of Buganda, which has long demanded autonomy or at least a federal relationship with Uganda. A compromise has apparently been reached which will permit Uganda to evolve under an African-dominated central government with internal self-government next March and independence in October, while guaranteeing the traditional position of the Buganda King in his province. However, any such arrangement remains tenuous.

In Kenya, the African nationalists could obtain early independence if the two main contending African parties--which are based on mutually suspicious tribal groups--could agree on a common government and policy. Talks have been broken off following a stalemate caused by the refusal of Tom Mboya's party--which has the largest electoral appeal among Kenya Africans--to join the governing party on the latter's terms, which include a guarantee of minority tribal rights.

Overshadowing the leaders of both parties is Jomo Kenyatta,

who, while officially remaining aloof from either party, is continuing his pressure on both of them to merge under his leadership. Announcement of the early date for Uganda's independence will probably increase pressure on nationalist leaders--particularly in Mboya's party--to demand a rapid end of British control. It may also furnish prominent ex - Mau Mau detainees who have recently joined this party a ready-made issue to use against Mboya's leadership.

In Zanzibar, where racial tension has abated somewhat since the riots in June following the



electoral victory of the minority Arab nationalists, the announcement of Uganda's forthcoming independence is likely to stimulate the Arab-controlled government to seek independence before the African popular majority can gain power. Arab leaders have indicated their opposition to any federation with the mainland territories until they are in position to safeguard the Arab minority position.

Of Britain's four East African territories, only Tanganyika, under the leadership of moderate Prime Minister Julius Nyerere, is approaching independence with no serious internal problems.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## POLITICAL UNREST IN ECUADOR

A Communist-promoted general strike attempt, which began in Ecuador on 4 October and now has subsided, developed into the most serious threat President Velasco had faced since taking office in September 1960. Partly as a result of pressure from the military and other right-wing elements, Velasco is apparently considering a crackdown on the activities of the Ecuadorean Communist party and a diplomatic break with Cuba. A reversal of Velasco's previous pro-Castro attitude might strengthen the chances for some joint action in the hemisphere against extracontinental intervention in Cuba.

The strike was called by the Communist-dominated Confederation of Ecuadorean Workers (CTE), the country's largest labor organization, ostensibly to protest proposed new taxes. Although some of the CTE's affiliates refused to participate, the confederation has demonstrated its ability to provoke violence and can now be counted among Velasco's leftist enemies.

Strike violence erupted in three northern provincial cities--Ibarra, Tulcan, and Esmeraldas--all of which were placed under military rule. Quito and Guayaquil, centers of the nation's political and economic life, have been relatively calm. Even though only partly successful, the strike is likely to have adverse effects on Ecuador's depressed economy and hinder government efforts to check the sharp decline in foreign exchange reserves, reduce the current budget deficit, and restore business confidence.

Velasco's position was shaky before the strike was launched. Frequent cabinet changes and extensive shuffling of top military positions reflected his concern with opposition from rightists, including some military plotting. Velasco broke recently with his pro-Communist former minister of government--the leader of pro-Castro elements in Ecuador--and is also at odds

with Vice President Arosemena, another long-time political ally. Arosemena apparently aspires to replace the President as head of leftist "reform" groups and could cause a split in Velasco's own heterogeneous following.

The military are believed loyal to Velasco but have probably impressed upon him the need to adopt strong anti-Communist measures and to change his pro-Cuban policy--possibly in exchange for their continuing



support. A high-ranking officer advised the US army attaché in Quito on 6 October that the President is convinced he must break relations with Cuba and is trying to obtain documentary evidence of Cuban intervention in Ecuador to justify this move. His need for US financial aid and for military equipment to control riots is probably a further influence toward a change in his Cuban policy.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

COLOMBIA

The Colombian Government was alerted to the danger of a potential new area of rural unrest when a unit of marines was captured on 27 September with all its equipment by a sizable pro-Communist guerrilla force in the eastern part of the large plains area known as the Llanos. The marines were later released and government control was re-established, but the guerrilla band, which melted away with its arms, could reappear elsewhere and possibly spill over into neighboring Venezuela.

Rural violence has plagued Colombia since about 1948. It includes banditry and smuggling as well as guerrilla warfare, and has resulted in the deaths of more than 250,000 people and probably has displaced more than 1,500,000 peasants during the past 13 years. On the decline during the first two years of President Lleras' administration, it began to increase in mid-1960. About 1,750 persons were killed in the first seven months of 1961, as compared with about 1,500 for the same period of 1960.

Lleras considers the violence the most pressing problem of his administration, and, after an abortive rebellion by a small army unit on 11 October, extended the partial state of siege throughout the nation. The causes of the violence are complex and include long-standing antagonism between the Liberals and Conservatives often resulting in brutal party vendettas, the breakdown of law enforcement in rural areas, the adoption of banditry as a way of life on a full-time or part-time basis by large numbers of peasants, and the revival at the local level of "chieftain" rule--military-style "bossism" traditional to Latin America.

The centers of the violence have shifted from time to time, but in recent months it has been

largely concentrated in the agriculturally important coffee-producing departments in the central-western part of the country. The western Llanos, a focal point of guerrilla operations in the early 1950s, has been relatively peaceful in recent years.

The Colombian Government believes the violence is directed by Communists, and that they plan to extend the movement westward across the Llanos. The Communists have long maintained exclusive control of small rural enclaves in central Colombia, but their policy in these areas has been largely defensive. Their role in rural violence on a national scale is unclear, although there is evidence that they are becoming increasingly aggressive in exploiting and spreading the problem in collaboration with leftist agitators.

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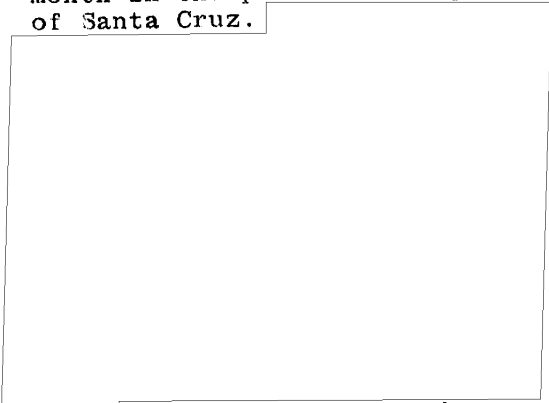
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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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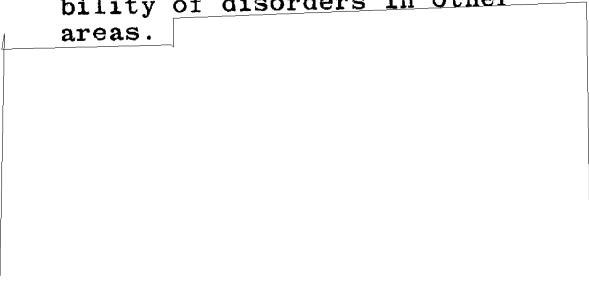
### BOLIVIA

Bolivia's continuing political instability is reflected in new violence earlier this month in the provincial capital of Santa Cruz.



Petroleum workers have been threatening a strike in support of the Sandoval forces.

The release during September of some 30 of Bolivia's most effective Communist agitators after three months in prison has enhanced the possibility of disorders in other areas.



The long-term downward trend in the economy which has been a deep-seated cause of instability shows some signs, however, of reversing itself.

Petroleum production came to 1,500,000 barrels for the first half of 1961--approximately the level of recent years and sufficient for national consumption as well as minor exports. In recent months, delays in procurement of the new equipment for the government-owned company has resulted in a decline, but hope for a substantial increase in over-all production has been encouraged by the Bolivian Gulf Oil Company's discoveries near Santa Cruz during the past year. Although Bolivian Gulf's local staff is cautious because no large oil field has previously been found in a similar geological formation, the company has ordered preliminary planning for a \$25,000,000 connecting pipeline to move production to the west coast of South America.

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There are also indications that Bolivia's tin production, which has fallen precipitately over the past 15 years, may now be increasing. Output of the nationalized and independent mines for January-May 1961 showed an increase of 18 percent in volume and 23 percent in value over the first five months of 1960. A possibility of longer term improvement in production of minerals rises from the initiation in late August of the "triangular plan" to rehabilitate the mines with aid from the West German and US governments and from the Inter-American Bank.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

SPECIAL ARTICLES

## SOVIET TACTICS IN THE BERLIN CRISIS

Soviet leaders were confident that Khrushchev's meeting with President Kennedy at Vienna last June would open the way for a new round of East-West negotiations on Berlin and Germany. They embarked on a program designed to induce the West to take the initiative in proposing negotiations and to create the most favorable conditions for extracting Western concessions.

In speeches on 15 and 21 June, Khrushchev moved to sharpen the sense of urgency surrounding the Berlin question by declaring that the USSR would sign a separate peace treaty with East Germany if there were no East-West agreement by the end of 1961. He also warned that the Soviet Government might be obliged to increase defense allotments and strengthen its armed forces. To lend substance to this warning, he announced on 8 July the suspension of force reductions planned for 1961 and an increase of over 3 billion rubles in defense allocations. Soviet officials stated privately at this time that Khrushchev's new deadline was aimed only at overcoming the West's "delaying tactics" and forcing it into negotiations by the end of the year.

Moscow's attempts to impress the West with Soviet strength and resolution produced extreme alarm in East Germany which was registered

in a sharp increase in the number of refugees fleeing to West Berlin. The July figure of 30,444 was the highest for any month since 1953. The refugee flow reached near-panic proportions in the first week of August and sent Ulbricht off to the USSR for hurried consultations.

Soviet leaders previously had been reluctant to sanction East German action to halt the refugee flow because they realized this would advertise the weakness and vulnerability of the Ulbricht regime and damage the Soviet position in negotiations on Berlin and Germany. Sealing of the borders around West Berlin had long been planned as one of the consequences of a separate peace treaty with East Germany. The flood of refugees, however, forced the hands of the Soviet and East German leaders and compelled them to alter the timing of this action. They recognized that the only way to salvage some vestige of authority for the East German regime and possibly to avert its eventual collapse was to apply extreme measures to close the sector border.

It seems likely that these measures--as well as subsequent Soviet military moves, including the resumption of nuclear tests--were formally set forth at the meeting of the first secretaries of the Warsaw Pact Communist parties in Moscow from 3 to 5 August.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

Reaction to US Position

The period in late July and early August when Khrushchev was forced to deal with the refugee problem coincided with a new shock from the US in the form of President Kennedy's address to the nation on the Berlin problem on 25 July. This address had a deep impact on the Soviet leadership. Khrushchev's reaction suggests that he interpreted the address as indicating that the United States would be willing to negotiate only on the basis of existing Allied rights in West Berlin and that it would reject any solution which implied a change in the present legal basis of the West's position in the city.

Khrushchev told the Soviet people in a radio-television speech on 7 August that President Kennedy "did not stop at presenting to us something in the way of an ultimatum." He declared that "it must be said frankly that at present the Western powers are pushing the world to a dangerous divide, and the emergence of a threat of an armed attack by the imperialists on the socialist states cannot be excluded."

Khrushchev responded to the "challenge" by strengthening his commitment to sign a German peace treaty. He asserted that if the USSR renounced the treaty, the Western powers "would regard this as a strategic breakthrough and would widen the range of their demands at once." Although Khrushchev thus felt obliged to adopt an even more militant and unyielding attitude, he evinced concern that this process of East-West demonstrations and counterdemonstrations

would tend to transform what he had consistently tried to represent as strictly a political and legal issue into an undisguised test of national will, prestige, and power. In a speech on 11 August, the Soviet premier took pains to hold the door open to negotiations and said the Berlin question itself would not be so difficult to solve, provided the issue was not turned into a "trial of strength."

Resumption of Nuclear Tests

Khrushchev's willingness to accept the incalculable political and propaganda costs entailed by the resumption of nuclear tests is a good measure of the seriousness of his concern that his whole Berlin strategy had been placed in jeopardy by the closure of the Berlin sector border and by the failure of his earlier demonstrative military measures to produce a change in the Western attitude. He recognized that the drastic action to halt the refugee flow had severely damaged Soviet efforts to present the Ulbricht regime as a sovereign and respectable negotiating partner and that, as a consequence, his aim of extracting Western concessions implying at least de facto recognition of East Germany had been seriously compromised.

In this situation, Khrushchev invoked the weapon of nuclear intimidation as a more forceful means of demonstrating the USSR's military strength and determination to force a change in the status of West Berlin. He probably calculated that a resumption of tests would place the USSR in the

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strongest possible position to carry out the long-threatened action to sign a separate peace treaty in the event the West refused to enter negotiations or rejected Soviet terms for a settlement.

Moscow sought to enhance the effect of the testing announcement by stating on 1 September that military exercises using advanced modern weapons would be conducted by the Northern Fleet, jointly with the Rocket Troops and the Air Force, in the Barents and Kara seas in September and October. The Warsaw Pact defense ministers followed this with an announcement on 10 September of their decision to work out "practical measures" to strengthen bloc defense. On 25 September, Moscow announced that Warsaw Pact forces would conduct exercises in October and November.

Moves to End Impasse

After setting in train this bloc-wide series of military demonstrations, Khrushchev began to shift his political line back to a more flexible and positive attitude toward negotiations. He appeared to recognize the dangers of a situation in which both sides might feel confronted with the alternatives of a humiliating retreat or a showdown which could escape control. Khrushchev now is seeking to work his way out of this impasse.

In a speech at Stalingrad on 10 September, he went to some lengths to attribute to each of the Western leaders a willingness to begin negotiations and concluded that "glimpses of hope

now have appeared" for "peaceful talks." In private talks with free-world leaders, including Indian Prime Minister Nehru, Indonesian Foreign Minister Subandrio, and Belgian Foreign Minister Spaak, Khrushchev stressed the USSR's willingness to accommodate the West by providing some form of Soviet guarantee of Western access to West Berlin in connection with a bloc peace treaty with East Germany.

Khrushchev suggested to Subandrio that Western access rights to West Berlin might be guaranteed in documents signed by the USSR and East Germany which would be attached to the treaty. This approach was spelled out in greater detail in a speech on 6 October by Ulbricht, who proposed that both sides agree on "special arrangements" for a Berlin solution and on "declarations containing guarantees before the conclusion of a peace treaty." These arrangements, he said, would then be incorporated in the peace treaty with East Germany.

This formula for a separate four-power agreement on Berlin and a Soviet guarantee of East German performance in executing access controls is clearly designed to meet Western objections to a unilateral transfer of controls by maintaining an outward appearance of the status quo and continuing Soviet responsibility for Allied access. Khrushchev probably hopes thus to persuade the West that negotiations could lead to a compromise which would protect the Western position in Berlin but at the same time allow the Soviet Union a free hand to proceed with a peace treaty with East Germany. He probably

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feels that incorporation in a separate treaty of a four-power agreement and a Soviet guarantee of access would greatly reduce the risks of signing a separate treaty and could even be represented as at least tacit Western consent to this treaty.

This formulã would also allow the bloc unilaterally to declare West Berlin a free city after the signing of the separate treaty but at the same time permit the West to interpret the agreement as an endorsement of the existing status. Khrushchev's proposed compromise, however, would in fact require the Western powers to concede the USSR's fundamental demand for a change in the status of West Berlin and an end to the Western "occupation regime."

Position on Separate Treaty

Khrushchev is personally deeply committed to signing a treaty with East Germany, which he desires not only as an important step toward general international recognition of the East German regime but also to establish a better legal basis for the definitive acceptance of present German frontiers. He can therefore be expected to press hard for any arrangements with the West which he judges will free his hands for proceeding with the separate treaty.

While it is too early to exclude the possibility that Khrushchev, as a fallback position, might again defer a separate treaty and settle for some form of interim agreement that placed a definite time

limit on existing Western rights in West Berlin, his present program apparently calls for going through with a separate treaty unless he should come to believe that the Western attitude would pose unacceptable risks of war for such a course. He is now much more deeply committed to signing a treaty with East Germany than he was in the earlier phases of his Berlin operation in 1959 and 1960. He would find it difficult to represent as a major victory in 1961 an interim solution along the lines of Soviet proposals at the Geneva foreign ministers' conference in 1959.

Soviet View of West's Intentions

The Soviet leaders appear confident that the recent exchanges between Secretary Rusk and Foreign Minister Gromyko will open the way for formal East-West negotiations before the end of the year. They are still relying, however, on the combination of pressures and inducements to bring the West to the bargaining table under conditions favorable to the USSR. At a public lecture in Moscow on 26 September, the speaker stated categorically that the Rusk-Gromyko talks would be followed by negotiations. He expressed optimism that a peaceful solution would ensue and cited the US-Soviet agreement of 20 September on a statement of principles for disarmament negotiations as an indication that the Berlin question would be resolved peacefully.

Soviet spokesmen are also still expressing confidence that the West will eventually agree to a Berlin settlement rather than face the risks of an East-West conflict to maintain the

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status quo in Berlin. Khrushchev told Yugoslav Foreign Minister Popovic in July that the chances of war were not more than 5 percent and that when the Western powers discovered that the separate treaty would not introduce any really substantive changes in access procedures, "they will swallow it." In his interview with New York Times correspondent Sulzberger on 5 September, Khrushchev again predicted that the West would not go to war over the signing of a peace treaty and remarked that America's Western European allies are, "figuratively speaking, hostages to us and a guarantee against war!"

Gromyko, in his speech to the UN General Assembly on 26 September, expressed skepticism in regard to Western willingness to resort to force, saying, "There is a great difference between statements about readiness to use force and the actual use of force, if account is taken of what such a use of force would mean . . . ."

Despite these continuing expressions of confidence that the West can be pressured and induced to make negotiated concessions, it seems likely that the US attitude on Berlin has caused Khrushchev to raise his estimate of American willingness to defend the Western position and of the risks carried by unilateral Communist actions. The firm US position has sharpened Khrushchev's dilemma in managing his Berlin policy. He can have no illusions that he could escape serious damage to his personal prestige and authority in the Communist bloc, the international Communist movement, and throughout the world if he should retreat or abandon his Berlin demands. Khrushchev is under heavy pressure to achieve a success on Berlin which he can use to demonstrate the

effectiveness and correctness of his entire strategic line in dealing with the West.

It was this strategy which produced the bitter collision with the Chinese Communists, because Khrushchev's policy of limited detente and negotiations in 1959 and 1960 cut directly across Peiping's interests, which demanded unremitting hostility to the West. The Sino-Soviet dispute has substantially narrowed Khrushchev's field of maneuver and has created constant pressure on Moscow for bolder, more militant actions in the foreign policy field. Any suggestion that Khrushchev's tactics on Berlin and a separate peace treaty were mere bluff or that he was backing down in the face of Western demonstrations of military power would inflict irreparable damage to his position as leader of the Communist bloc.

Khrushchev's actions appear to be strongly motivated by an awareness that time is running out on his Berlin operation and that considerations of personal prestige and authority will rule out any further prolonged delays in bringing the whole matter to a head. Under these circumstances, Khrushchev probably would not hesitate to undertake even more threatening and increasingly risky tactics should he be confronted with further manifestations of Western strength and firmness on Berlin. If his recent gestures toward working out a compromise Berlin accord along the lines of his remarks to Spaak failed to draw a favorable Western response, he would almost certainly feel compelled to intensify the war of nerves in a final effort to prevent the West from forcibly opposing unilateral Communist action following the conclusion of a treaty with East Germany.

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**THE FORTHCOMING SOVIET PARTY CONGRESS**

On 17 October the Soviet Communist party will convene its 22nd congress--the third such meeting since Khrushchev became first secretary of the party in 1953. Essentially a policy-propagating organ--one that gives formal approval of the programs of the leadership--the congress will hear reports on foreign and domestic policy and the status of the party. It will also elect a new central committee, the composition of which will already have been decided by higher authority.

Khrushchev apparently sees this congress as the high point of his career, and he will certainly dominate its proceedings. He will deliver the major speech, the report of the central committee; he will also present the new party program--a broad policy outline supposedly to be followed over the next 20 years. For the short run, however, the most important aspect of the congress is that it will give Khrushchev ample opportunity to expound Soviet foreign policy and may give the West a better idea of the course of action he plans to take on the Berlin problem.

Functions of the Congress

The congress, described in Soviet literature as the "indisputable authority of party power," is the formal apex of the party's hierarchical organizational system. Composed of delegates ostensibly elected in a democratic manner at regional convocations of delegates from district meetings, the congress is supposed to express the wisdom, will, and experience of the whole party.

During the early years of the Communist regime the congress

did participate actively in policy making; it acted as a consultative and ratifying body and supreme arbiter of disagreements on policy. However, Stalin convened only four congresses after 1927, and the body degenerated into a rubber-stamp organization with the primary function of clothing the acts of autocratic dictatorship with an aura of democratic legitimacy and to propagate the broad lines of regime policy. Although the party leaders after Stalin observed the statutory requirement that the congress meet at least once every four years, its role and operations have not perceptibly changed.

Nevertheless, the convocation of a party congress is an event of great importance in Soviet political life. It is the occasion for summing up and distilling the experience gained and for authoritatively defining and highlighting the basic elements in regime policy. The congress thus serves as a primary reference point in Communist development. Pronouncements issued through the media of the 20th congress in 1956 and the 21st congress in 1959 are still used as basic guides in the execution of policy.

The convening of a congress also serves to bring to a focus the crosscurrents of political maneuvering and policy disagreements which exist among the top leaders. With the periodic reconstitution of the ruling presidium (Khrushchev and his top aides), secretariat, and central committee in the offing, a reassessment of all individuals in the upper echelons of the party takes place. Rivalries tend either to come to a head or to subside temporarily. Efforts of the top leaders around the party first secretary to place their friends and protégés in positions of honor and influence are intensified, because a

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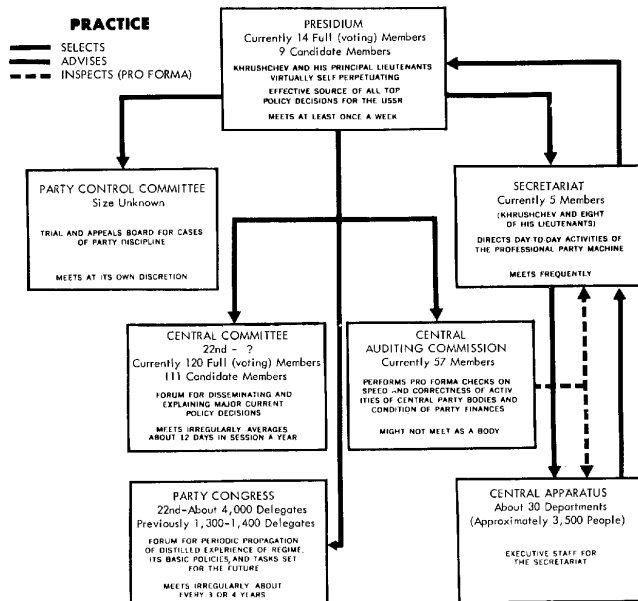
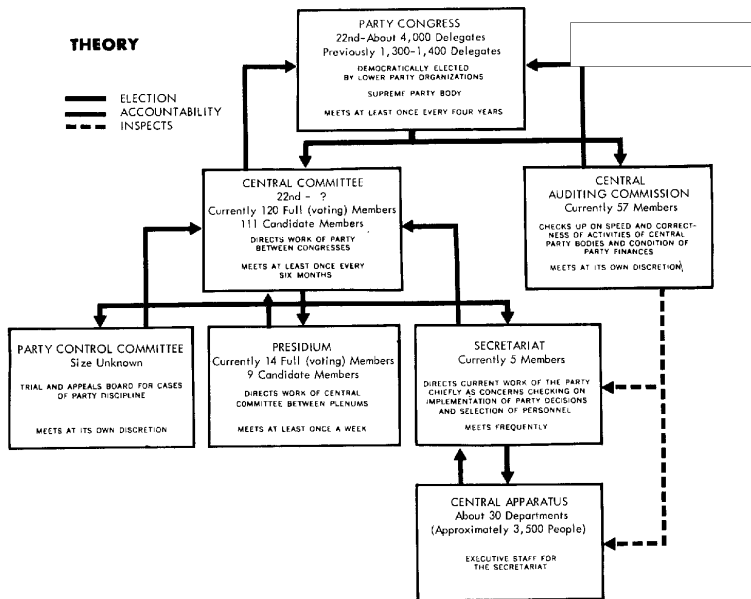
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**TOP ECHELONS OF THE COMMUNIST PARTY OF THE SOVIET UNION**

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congress tends to solidify political relations, if only for a short time. These relations, however, are established in the months preceding the congress. Emphasis at the congress itself is on unity. Planning and controls are so rigid that a serious effort to alter political relations at the congress could be made only if the presidium were hopelessly divided.

The decline in the role of the congress in the Stalin period was accompanied by a steady increase in membership. In 1918, shortly after the party came to power, the congress consisted of only 104 delegates. About 1,400 delegates attended each of the three congresses held since World War II, however, and more than 4,000 delegates will attend this one. This latest sharp increase in number of delegates constitutes an attempt by Khrushchev to magnify his prestige and provide a fitting forum for the official launching of his new program for building Communism. A new conference hall with a seating capacity of over 6,000--largest in the Soviet Union--has been rushed to completion for the congress.

The lists of delegates available thus far indicate that an overwhelming number will be attending a party congress for the first time. Apparently fewer than a fourth of the delegates to the 21st congress (January 1959) have been re-elected to the 22nd, whereas over one third of those at the 20th congress (February 1956) were re-elected to the 21st. This sharp influx of new delegates is indicative of the wide changes which have taken place in the party in recent years, particularly the extensive purge of "incompetent" and "corrupt" officials which followed the central committee plenum on agriculture last January.

The full meaning of these changes for the balance of power among Khrushchev's lieutenants is not yet clear. The first clues will be provided by the lists of delegates on the standing committees of the congress. "Election" of these committees will be the first item of business.

Political Situation at the Top

Before the congress convenes, Khrushchev will already have approved the membership list of the new central committee and will have decided on any changes to be made in the composition of the presidium and secretariat. These then are the days of reckoning for some of the younger party careerists; these are also the days when the powers of the first secretary are probably strongest.

While the top rung of the party ladder is obviously strong, some of the rungs immediately below seem to have weaknesses. In the presidium, for instance, there is a group of old retainers--including Kuusinen and Shvernik--who seem to have outlived their usefulness. There are others--such as Aristov, Pospelov, and Pervukhin--who have gone out of favor. Actually, as many as ten full members and candidate members of the presidium may be removed.

There now are 22 full and candidate members, but only about four or five are given the heavy responsibilities of leadership. Of this latter group, the special favorites are Kozlov, Khrushchev's First Deputy in the party hierarchy; Kosygin, Khrushchev's alter ego in the government Council of Ministers; and Polyansky, 44-year-old premier of the Russian Republic (RSFSR).

The situation in the secretariat appears to be even more pressing. Here, where the top administrative work of the party is handled, the membership now is reduced to five. Kozlov

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seems to have the lion's share of the work in spite of a serious heart attack last spring.

Business of the Congress

The general state of the nation, as seen by the top leadership, will be taken up as soon as the business of electing standing committees is disposed of. As first secretary of the central committee, Khrushchev will deliver the customary "accountability report," which purports to justify to the party's theoretically highest body those actions taken by the central committee since the last regular party congress --since the 20th congress of 1956, in this case; the 21st congress was a special session.

The central committee's report, traditionally the keynote address at a party congress, reviews past developments and summarizes the Soviet Union's status. It is usually divided into three major portions; the international situation, domestic affairs, and the condition of the party. In order to maintain the facade of democracy, presentation of the report is followed by discussions which ostensibly determine whether or not the report is to be accepted. That the report is unanimously "approved" by the delegates is a foregone conclusion.

Khrushchev will probably use the final portion of the central committee report to set the stage for his presentation of the proposed new program for the Soviet party. This event, and the subsequent adoption of the program by the congress, is clearly to be treated as a milestone in the development of the USSR.

The party program is essentially a statement of long-range objectives--political, economic, and social--to be achieved as the nation gradually moves toward the ultimate goal of

Communism. Khrushchev let it be known last spring that he personally would write most of the new program, and his working vacation during most of April was ostensibly devoted to that purpose. Certainly the draft was prepared under his close direction, and he intends that it be associated with his name. Just as Stalin is credited with building socialism, Khrushchev quite evidently wants to be remembered as the architect of Soviet Communism.

The proposed draft program was published for mass "discussion" on 30 July. Although it is not a timetable, it does combine the elements of a 20-year economic development plan with a sweeping doctrinal manifesto which maintains that, in general, the building of Communism in the USSR will have been completed by 1980. The attainment of this goal is predicated on a continuation of policies and practices instituted under Khrushchev since the 20th party congress and on a vast and rapid expansion of the Soviet economy.

The congress may elaborate on the economic measures contained in the draft program, but the basic outline is not likely to be changed. The program conveys promises of a grandiose welfare state based upon a high rate of industrial and agricultural development. Stripped of its propaganda, it continues to give primacy to the growth-producing elements of the economy--heavy industry--at the expense of the consumer, and amounts to a restatement of policies and programs already in existence.

The general context of Khrushchev's statements on foreign policy, except on current issues such as Berlin, has already been established by the international sections of the party program. Since the program does not contain any signs of a major shift from the main lines of Soviet policy

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laid down by Khrushchev at the 20th and 21st party congresses, it is unlikely that Khrushchev's report will develop any new doctrinal positions. On the contrary, his main purpose will be to underscore those general propositions which he considers the basic tenets of his foreign policy.

The program makes it clear that Khrushchev regards the achievement of his domestic program as closely tied to the successful implementation of his peaceful coexistence strategy, which the program reaffirms as the "main aim" and "central principle" of Soviet foreign policy. However, since the program's justification of this over-all international strategy is extremely general and is sufficiently flexible to accommodate either an aggressive or a conciliatory interpretation, it is unlikely that Khrushchev's report will provide a very clear guideline to any specific trends in Soviet tactics over the next several years. Although Khrushchev is bound by the general outline of the program, the variations in emphasis and the nuances which he chooses to develop may serve as an indication of the state of intrabloc relations, particularly Sino-Soviet affairs.

There have been a number of indications that the congress will mark a turning point of sorts for bloc maneuvering on Berlin and Germany. Khrushchev has privately assured Western diplomats that a separate peace treaty with East Germany would be deferred until after the party congress, and a number of Soviet spokesmen have stated that Moscow considered the six weeks or so preceding the congress to be a decisive period in which Khrushchev would have to make basic decisions. Khrushchev's general line on Berlin will probably be greatly influenced by his evaluation of Foreign Minister Gromyko's recent talks with Secretary Rusk and President Kennedy.

Other than Khrushchev, the only major speaker scheduled is central committee secretary Kozlov, who will deliver the report

on the proposed new party statutes --the bylaws which govern all party organizations and activities. The only significant change from previous years is the provision for systematic turnover in party bodies, which the draft statutes spell out in detail.

The last item of business at the congress is the election of the central committee, which, in the make-believe system of Soviet party democracy, is the body formally empowered to act for the congress when the latter is not in session. As in the selection of delegates to the congress, election of the central committee simply means formal approval of a slate already prepared by Khrushchev and the other top leaders.

The central committee is one of the major prestige bodies in the Soviet system. Nearly all the more important and influential officials at the time of the congress--leading government executives, military leaders, and provincial party bosses, as well as the national party leaders--are included. Its membership thus initially mirrors the relationships established in behind-the-scenes political maneuvering. With the passage of time, however, it becomes "out of date" as members die or lose their high political standing and new political relationships are established.

Over 40 percent of the 255 members elected at the 20th congress in 1956--no election took place at the special 21st congress--will probably be replaced at this congress. This is considerably higher than the replacement levels in 1956 and is well above the one-fourth turnover required by the renewal provisions of the new party rules.

The number of new members will be even higher than these figures indicate if an expected expansion in the size of the central committee takes place. If the increase is comparable to that of the provincial party committees since 1956, the total number of new faces on the central committee will be well over 200.

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## OPPOSITION GROUPS IN SPAIN

While Franco's opponents have no prospect of attaining power in Spain as long as he remains on the scene, his regime continues unpopular, and opposition elements are making some progress toward reconciling factional differences. In recent months some of the non-Communist left-of-center parties have shown a willingness to facilitate joint action by agreeing in principle to restoration of the monarchy. Such collaboration now would increase the chances for these moderate groups to play an important role in the post-Franco era.

The Falange, Spain's only legal party, has been losing influence in recent years. Nevertheless, its monopoly on politics and Franco's prohibition of political activity have prevented the development of potential opposition leaders of national stature.

The non-Communist opposition comprises relatively small groups. On the one hand there are the Monarchists and other conservatives, who have become increasingly concerned over Franco's failure to provide for an orderly transition of power. The Socialists, on the other hand, favor an eventual restoration of the republic based on a popular referendum. These groups count on the army to maintain public security on Franco's demise, but they would like, as the only hope of long-term peace, to achieve a coalition of moderate forces capable of offering an acceptable alternative to the elements identified with Franco.

Christian Democrats

Two men who were cabinet members prior to the civil war head the divergent wings of Christian Democracy, one of the three principal opposition movements. The leader of the center-right Social Christian Democrats (DSC), 62-year-old Jose Maria Gil Robles, is probably the only antiregime politician of national stature who might achieve sufficient opposition unity to establish a government. He favors a constitutional monarchy under the main pretender Don Juan--the only solution likely to be acceptable to the army. While he has apparently moved considerably to the left in his efforts to reach accord with other groups, Gil Robles has had no success in his attempts at a merger with the Christian Democratic Left (IDC), headed by Manuel Gimenez Fernandez, 65-year-old professor at the University of Seville.

Gimenez Fernandez favors closer relations with the Socialists and several small moderate leftist groups. The IDC tends to draw on the middle class for support rather than try to attract workers and youth groups. To the extent that it is interested in attracting labor, it reportedly favors the Workers Brotherhood of Catholic Action as a base for developing a Christian syndicalist movement.

Socialists

While the Spanish Socialist Workers party (PSOE) maintains nominal unity, a long-standing

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split has been deepening between the membership in Spain and an exile group based in the French city of Toulouse and led by 66-year-old Secretary General Rodolfo Llopis Ferrandiz. Llopis is opposed to collaboration with the Communists--for which party members in Spain have been pressing because they see in them a potentially dangerous rival for labor support. He is also against restoring the monarchy unless it is approved by a plebiscite.

Some Socialists within Spain want to cooperate with right-of-center groups under Gil Robles, but there is strong resistance to this from a group led by 42-year-old Antonio Amat Maiz. Amat Maiz, who has been the Socialist contact with the Toulouse-based group, recently served a two-and-a-half-year prison term on charges of participating in illegal propagandizing activities. He is regarded by some, including Gil Robles, as the most important of the Socialists within the country. His group reportedly rejects any pacts with the oppositionists of the center or right; it wants attacks on the Spanish Communists terminated and advocates a neutralist policy. It opposes NATO and US bases in Spain.

Llopis has so far managed to retain control of the party organization, but most Socialist activity in Spain has been conducted through a university association reportedly penetrated and influenced by the Communists. He is considered too out of touch with present-day Spain to be capable of

leading a united Socialist movement.

Monarchists

The Monarchists, the third major opposition element, have two main groups--the Alphon-sines, who support Don Juan's claims to the throne, and the Carlists, a waning collection of ultraconservatives who support the representative of another branch of the Bourbon family, Don Javier de Borbon Parma. Many Monarchists favor collaboration with the regime and the eventual formation of a monarchy in the traditional Spanish style with strong church influence.

Some progress toward Monarchist unity was achieved in 1958 when the Spanish Union (UE) was founded. Its leaders range from Joaquin Satrustegui, an aristocrat and wealthy lawyer, to Tierno Galvan, a former University of Salamanca law professor with Socialist sympathies. It wants a monarchy restored by popular will, supports Don Juan as monarch, and calls for freedom of religion; for freedom to organize political parties, except totalitarian parties of the left or right; and for genuine popular representation in the lawmaking machinery. It

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been unsuccessful in obtaining collaboration with center-left opposition groups.

Communists


The most cohesive group among the opposition is the small Spanish Communist party (PCE),

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under Secretary General Santiago Carrillo Solares. Its main strength is in the Basque provinces, Madrid, and Seville, as well as in Barcelona, where it has a special branch--the Unified Socialist party of Catalonia.

 The PCE professes to favor peaceful methods for overthrowing the regime. It has established contact with most of the opposition groups of the left but has failed to secure their collaboration.

Terrorist Groups

Aside from a few bombs exploded by Basque nationalists in northern Spain in November 1959, the only recent terrorism is traceable to the Iberian Revolutionary Directorate of Liberation (DRIL), an association formed in 1959 by Spanish and Portuguese exiles based in Cuba and Venezuela. Intermittent activities by this and other terrorist groups are unlikely to offer a serious threat to Franco.

Opposition Pact

A significant step toward oppositionist unity of action was taken in Paris in June 1961 when an agreement forming the Union of Democratic Forces (UFD) was signed by Gimenez Fernandez' Christian Democratic Left and the Toulouse-based

Socialists, together with a number of smaller center-left groups: the Basque Nationalist party, Basque Nationalist Action, Republican Left of Catalonia, Spanish Republican Democratic Action, the Socialist General Labor Union, and the Basque Workers' Solidarity.

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The UFD believes that only united action could achieve Franco's overthrow and avoid subsequent chaos. The parties agreed to combat the present regime in every way, reject collaboration with totalitarianism of the right or left, and, when the opportunity arises, to create a provisional government. However, they have not yet defined the institutional form of such a government. They also pledged to restore political liberties, hold elections to determine the kind of future government, and orient Spain's foreign policy toward solidarity with the free peoples of the world. A major weakness of the UFD is Basque and Catalan pressure for autonomy.

Even though most center-left groups have joined in the UFD, further progress toward unity is hampered by the difficulties these groups encounter in trying to formulate a specific program. It is doubtful, moreover, if the UFD will be acceptable to the Alphonse Monarchists and Gil Robles' followers. The pact does not, therefore, represent a true cross section of popular opinion. Absence of the Monarchists, moreover, probably ensures apathy on the part of the military, who will be the determining factor in establishing support for any post-Franco government.

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