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19 January 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

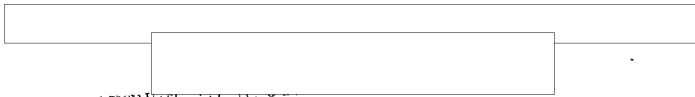
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State Department and OSD review(S) completed

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OSD REVIEW
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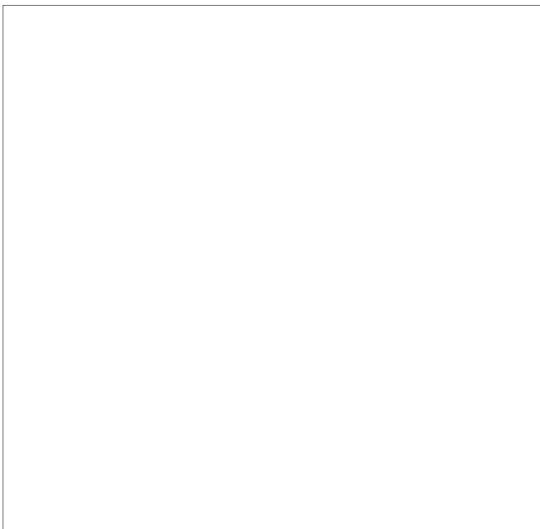
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CURRENT INTELLIGENCE WEEKLY SUMMARY

WEST NEW GUINEA

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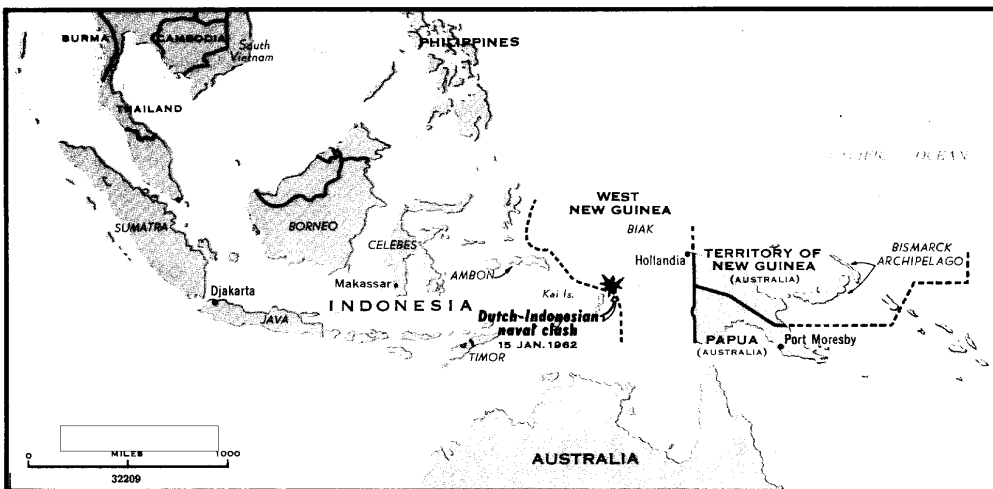
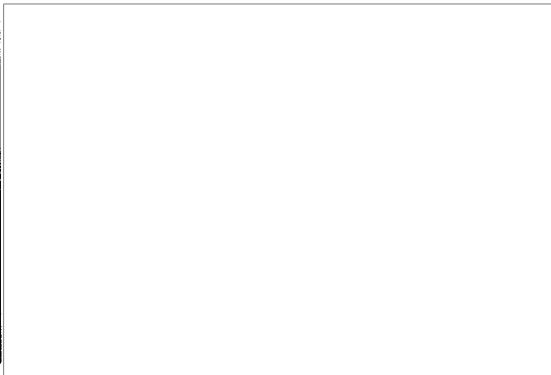
In the meantime Sukarno is expected to order increased preparations for military action aimed at seizing West New Guinea. Further incidents, such as an Indonesian bombing attack against a Dutch military target, could spark general hostilities. On the other hand, although Sukarno is unlikely to take any initiative toward negotiations, there are indications that he may accept acting UN Secretary General U Thant's offer to mediate.

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The attitude of Sukarno, who recently had seemed more amenable to exploratory talks on a political settlement with the Dutch, probably has hardened.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Prime Minister de Quay informed U Thant on 16 January that his government remained willing to enter into talks without conditions but that Dutch forces would continue to "make use of their right of legitimate self-defense." The Dutch cabinet had met earlier to consider requesting action by the UN Security Council but decided against such a step, in view of Thant's efforts to persuade Indonesia to agree to

talks and the belief that such an appeal would be premature.

Although the Dutch Government has made no move yet to add significantly to its modest forces in the area, it has extended the tours of duty of military personnel serving in West New Guinea. The Dutch Navy has only three major fighting vessels in New Guinea waters--a destroyer and two frigates--and there is no evidence that The Hague plans to increase this number.

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DOMINICAN REPUBLIC

The civilian-military junta which was imposed by General Rodriguez Echevarria on 16 January in place of the civilian Council of State headed by President Balaguer can be maintained only by strongly repressive measures. At its inception it faces widespread public repudiation, the active opposition of all organized political groups, and disunity among the armed forces themselves.

The ouster of the 16-day-old civilian Council of State grew out of tensions between opposition leaders and high military officers who feared their

positions would suffer under the new government, in which President Balaguer was shortly to be replaced by Rafael Bonelly as head of the council. The coup was immediately preceded by an afternoon incident in which tank crews shot and killed several members of a crowd listening to demands by spokesmen of the National Civic Union (UCN) for the immediate resignation of Balaguer. 25X1

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

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Some leaders of the UCN, the main democratic opposition group, already are planning to take diplomatic asylum or to go into hiding in order to avoid arrest.

Other junta members have little if any public following, and the new regime will have to depend to a large extent on individuals discredited during the Trujillo era. One of the military members, army Lt. Colonel Nival Seijas, has a reputation for brutality and murder under Trujillo. Another member, Rear Admiral Enrique Valdez Vidaurre, the chief of naval operations prior to the coup, is a popular and respected officer, but the abortive navy revolt of 13 January showed that there is strong feeling against Rodriguez in navy circles.

The air force representative on the junta is an obscure figure; a number of air force officers resigned last week

in protest against Rodriguez' "dictatorial" tendencies. The other two members are civilians who served as government functionaries under the dictatorship. One of these, Huberto Bogaert, is the nominal president of the junta.

Bogaert's address of 17 January, in which he echoed General Rodriguez' claims that the "Communist threat" necessitated the change in government, will remind many Dominicans of the similar rationalizations for repressive action employed by the late dictator. Leaders of the UCN are convinced that Rodriguez actually instigated much of the recent mob violence to magnify the Communist danger and justify his action.

Meanwhile, the genuine Communist threat may grow as more Dominicans feel impelled toward violent action which the Communist-infiltrated 14th of June party is preparing to lead as an underground organization. 

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CURRENT INTELLIGENCE WEEKLY SUMMARY

LAOS

Leaders of the three Laotian factions are in Geneva at the invitation of the conference co-chairmen--the UK and USSR--but progress toward formation of a coalition government is doubtful because of the intransigence of Boun Oum and Phoumi. The Vientiane leaders, despite heavy diplomatic pressure, show every indication of sticking to their announced purpose in coming to Geneva: only to discuss the international aspects of the Laotian problem. They have balked at entering formal talks with Souvanna and Souphanouvong, although an initial meeting of the three princes was held on an informal basis on 18 January.

Boun Oum and Phoumi, reverting to a position held before the start of the Geneva conference last May, have taken the stand that formation of a government is an internal matter that can take place only on Laotian soil. Their recent statements impugning Souvanna's suitability for the premiership--including Boun Oum's charge before the National Assembly that Souvanna is pro-Communist--make flexibility at Geneva difficult. Souvanna Phouma and Souphanouvong have expressed dismay at Vientiane's attitude.

Boun Oum and Phoumi apparently hope that even without an agreement on a coalition an arrangement can be reached for a united Laotian representation at Geneva which would enable the conference to complete its work on guarantees of Laos' neutrality and withdrawal of foreign troops. This approach probably envisages an appointment by King Savang, who Phoumi still hopes can be persuaded to take personal charge of the government if and when Souvanna will admit inability to form a cabinet.

In conversations with US officials, Soviet representatives attempting to lay the blame on Phoumi's continued intransigence on what they call the failure of US policy-makers to "make him come to terms." On 13 January the Soviet chargé in Washington, under instructions, delivered a long oral statement on Laos to Secretary Rusk in which he claimed that Phoumi's demand for the posts of defense and interior was "contrary to a previous agreement among the princes." He maintained that the US "has it in its power" to make Phoumi stop his delaying tactics. A similar line was taken by Gromyko in his 12 January discussions with Ambassador Thompson. Gromyko said that the USSR had been astounded at the negative position taken by Boun Oum and could not understand this in view of US influence over him.

Reflecting continued Soviet apprehension over Vientiane's reluctance to reach a settlement with Souvanna on a coalition government, Pushkin has told Ambassador Harriman in Geneva that he hoped the rival factions could hammer out an agreement in five to six days, form a government, and sign the agreements reached by the conference. If they failed, he remarked, it could lead to a "grave situation." Despite these statements, Communist forces in Laos probably will continue to exercise restraint for the time being--unless provoked by major attacks by Phoumi's troops--in expectation of an ultimate political settlement.

In Laos, the Vientiane government's Defense Ministry continues its sporadic output of communiqués alleging stepped-up enemy attacks and invasion by Chinese Communist and North Vietnamese forces. This effort to keep the military threat in the forefront seems primarily designed to generate domestic support for Phoumi's stand against a political settlement, and perhaps ultimately to justify resumption of hostilities by Vientiane.

There has been little actual increase in fighting throughout

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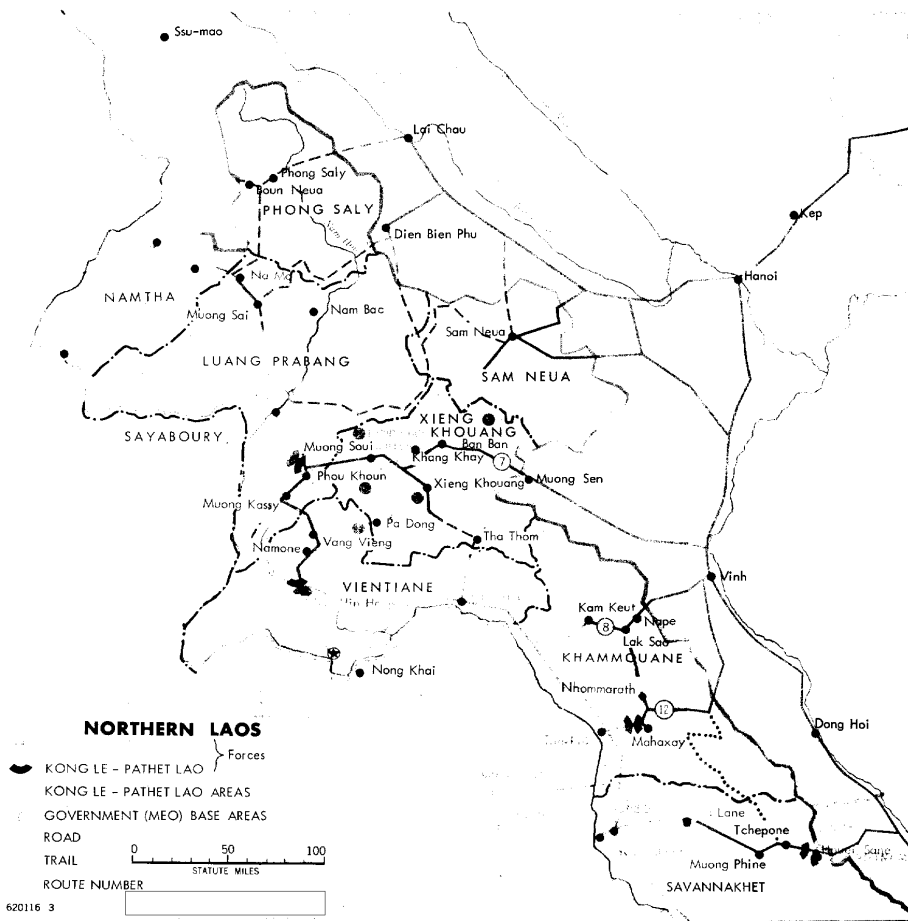
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CURRENT INTELLIGENCE WEEKLY SUMMARY

the country, although the continuing maneuvering and buildup by both sides have contributed to increased tension in several areas. Enemy forces, reacting to recent pressure by Laotian Army units in northern Luang Prabang Province, have advanced in limited strength from the Muong Sai area, pushing the government troops back to the line of the Mekong. In central Laos, government troops with

where, scattered skirmishes continue.

Peiping on 13 January signed an agreement with the Souvanna "government" providing for the establishment of joint civil air routes between the two countries. The two governments at the same ceremony also formalized Souvanna Phouma's acceptance last April of Peiping's offer to construct



air support are continuing efforts to drive behind enemy-held Mahaxay and Nhommarath with the aim of isolating these points from resupply. Else-

a road from China to Phong Saly in northwest Laos, where the Chinese established a consulate general last fall.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

SOUTH VIETNAM

The pattern of Viet Cong activity remains unchanged from that of the past few months. Relatively small-scale attacks are concentrated in the southern area, and terrorism and propaganda are the major activity reported in the north. There were 438 incidents reported during the week ending 8 January, as compared to 444 and 445 in

the preceding two weeks. Several instances of sabotage have been reported, and kidnappings have included of a number of schoolchildren. A Viet Cong prisoner has claimed that sabotage of land communications is to be stepped up with the aim of so disrupting traffic that by June 1962 the guerrillas can begin "liberating"



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SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

isolated villages and towns region by region. This suggests continuation of the Viet Cong strategy of expanding control by carefully planned stages.

Offsetting any such Viet Cong plan to paralyze the mobility of government forces, the South Vietnamese appear to be making more effective sweeps and surprise attacks, with the support of recently arrived US helicopter squadrons. A new army division--bringing the total to eight--was recently activated in the central Vietnam coastal area at Qui Nhon, and plans are reportedly being devised to provide night air support to government posts under attack.

25X1 [redacted] estimates in Saigon place Viet Cong strength in the country at 20,000 to 25,000 "regular and regional" forces, with an even greater number of part-time guerrilla forces. Viet Cong casualties in 1961 are estimated at close to 19,000--a 50-percent increase over the 1960 rate. Despite the recent weekly declines noted in Communist-initiated incidents, there is no evidence of an overall reduction of Viet Cong capability. US military sources have reported recent indications that Viet Cong attacks in the northern part of the country may shortly be stepped up.

The Chinese Communists reiterated their support for Communist efforts in South Vietnam during the visit to Peiping last week of a representative of the National Front for the Liberation of South Vietnam, the Hanoi-directed political arm of the Viet Cong. At a rally for

the visitor on 12 January, Chinese Communist party central committee member Liu Chang-sheng cited the situation in South Vietnam as a prime example of the inevitability of armed resistance and vowed every effort to give firm support to the South Vietnamese people. People's Daily on 14 January echoed this view, arguing that there is no alternative to armed activity in forcing US withdrawal and the collapse of the Diem government.

The Diem government on 10 January passed an aide-memoire to a Cambodian official proposing a meeting of military representatives in an effort to reach an arrangement on border control. With the toning down of Saigon's charges that Cambodia is permitting the Viet Cong to maintain bases across the border on its territory, there are indications that Prince Sihanouk may be amenable to such an approach.

The USSR has finally responded to North Vietnam's notes of 25 November and 28 December, which requested the Geneva co-chairmen to consult "without delay" on the situation in South Vietnam. On 10 January, the Soviet chargé in London delivered an aide-memoire to the UK strongly condemning the "flagrant interference of the US in the internal affairs of South Vietnam." Reflecting the USSR's cautious approach to this question, the note did not call for any joint action by the co-chairmen. However, according to the UK, it was somewhat sharper than previous communications and suggests that Moscow is anxious to appear responsive to repeated North Vietnamese requests for action by the co-chairmen. [redacted]

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

CONGO

Adoula's moves against Gizenga appear to have strengthened the premier's domestic and international position and should enable him to intensify his efforts to end Katanga's secession. Gizenga has been dismissed as vice premier and remains under house arrest in Stanleyville.

Long anxious to rid himself of Gizenga, Adoula had been forced to temporize, not only because he believed the reduction of Tshombé took precedence but because he feared a move against Gizenga would cost him the support of the Gizengists and Lumumbists and because he had no dependable force to support any action he might take against the Stanleyville leader. The abrupt move against Gizenga on 15 January succeeded because a number of factors had changed.

Gizenga's downfall began when he accepted a post in the Adoula government, ending his claim to be the legal successor to Lumumba. Gizenga's former African and Soviet bloc supporters recognized the Adoula government, and Gizenga, in Stanleyville, was never able to re-establish his previous lines of financial and material support. By trying to promote himself as the leader of a new "umbrella" nationalist party, he challenged rival political leaders and so alienated them they were no longer opposed to a move against him. Gizenga's final mistake was to attempt an armed rebellion on 13 January when the bulk of his potential army supporters were a long way from Stanleyville.

Gizenga, however, may still be able to generate enough ex-

tremist and diplomatic support from the radical African states and the Soviet bloc to thwart or at least temper Adoula's moves. There are, moreover, reports that some of Gizenga's Stanleyville army supporters--now in northern Katanga--may try to rescue him.

Adoula told Ambassador Gullion on 15 January that he intended to keep Gizenga in Stanleyville several days while dossiers in his case were being prepared. The premier gave no indication of what fate he intended for Gizenga, but it seems unlikely he will let him go free.

Adoula also expressed the hope that the downfall of Gizenga would have a beneficial effect on Tshombé. Adoula is acutely aware that his position as premier is insecure and subject to "nationalist" challenge and harassment as long as the Katanga problem remains unre-

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solved.

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Adoula continues to insist that additional Congolese Army forces be brought into Katanga. He plans to come to the US (no date is yet set) and apparently intends to press the issue then.

Reports on Adoula's impending cabinet reshuffle indicate he intends to try to maintain the somewhat uneasy alliance between the "moderates" and the "nationalists." Their only real bond is a common desire to gain control of Katanga. Adoula himself lacks a solid political or

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CURRENT INTELLIGENCE WEEKLY SUMMARY

tribal base and has always moved cautiously against the "nationalists," alternating pressure and compromise. Ambassador Gullion believes Adoula is too astute to force a showdown with them, particularly before Tshombé is brought to heel. Adoula was able to move against Gizenga because he was isolated; a frontal attack on the "nationalists" now--although they are in disarray and fighting among themselves--might result in their coalescence against him. A new cabinet list drawn up as of 23 December preserved the balance between the two groups, gave more even geographical representation, and dispensed with some lesser "nationalists" and others regarded as incompetent or as political liabilities.

Adoula stated publicly on 16 January that Gizenga's vice-premiership was "open to a member of Tshombé's party, depending on the outcome of the deliberations of the Katanga Assembly." Besides the premiership, Adoula now holds the Ministry of Defense, which has often been reported as "open" to a Tshombé follower.

The Katanga Assembly continues to stall in its deliberations on the Kitona agreement; its "foreign affairs" committee has recorded sharp reservations on three basic points, and the "political committee" is still considering the accord. In

Leopoldville, the constitutional discussions are going somewhat better. In initial meetings the three-man Katanga delegation has not strenuously objected to Leopoldville's draft, and spokesmen for both sides have expressed optimism that a compromise can be worked out.

However, Mahmoud Khiari, UN chief of civil operations, told US officials in New York recently that he believes the extent of Tshombé's agreement to the Kitona accord depends on what Tshombé considers to be unavoidable, and that the pressure must be maintained on the Katangan leader. He suggested further penetration by Leopoldville troops into northern Katanga and UN control of strategic points in southern Katanga, although he said fighting was "not necessary or desirable."

UN officials in Elisabethville report the city is calm and incidents are diminishing. A prisoner exchange between the UN and Katanga was made on 16 January. UN officials nevertheless are disturbed by continuing reports of Katangan recruitment of mercenaries and procurement of military equipment. The top UN civilian in Katanga told US officials recently he intends to "have a serious talk" with Tshombé soon regarding the mercenary problem.

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FRANCE-ALGERIA

The mounting death toll and the tendency toward mob violence have created a dangerous degree of tension in the major Algerian cities. Morale of French civil and military officials in the area has declined, reportedly because of inadequate political guidance, terrorism against their personnel, and discouragement over results of their efforts to regain control of the situation.

Measures contemplated by Paris to deal with the situation may not be adequate to keep up with events.

Minister for Defense Messmer and Minister for Algerian Affairs Joxe recently made separate visits to Algeria to confer with civilian and military officials on the spot. General Ailleret, commander in chief in Algeria, met with De Gaulle on

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

17 January. Paris has drafted a series of measures--such as reinforcing urban security forces and using standby powers to control movement of civilian residents--to be applied in stages.

25X1 Rebel leaders reportedly plan to launch a major terrorist campaign against members of the Secret Army Organization (OAS) [redacted]

25X1 [redacted] Should this materialize, it could precipitate large-scale counterattacks by the Europeans and might bring the army to accede to OAS pressure for cooperation. The French Government on 17 January specifically noted that the situation in Algeria would be handled within the framework of existing civil powers. [redacted]

25X1 The US Embassy in Paris reports that the French Foreign Ministry's reactions to last week's communiqué from the provisional Algerian government (PAG) was partly one of relief that the door was still open to

negotiations, but a security official noted that the communiqué's reference to stepped-up rebel activity against the OAS nullified the portion on negotiations. The embassy in Tunis noted a general feeling there that the communiqué had greatly improved the prospect for a settlement, while according to the embassy in Rabat, "satisfaction" and "optimism" were the words most often used to express reaction to the communiqué in press and diplomatic circles.

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There are indications that part of the purpose of PAG premier Ben Khedda's prolonged stay in Morocco is to re-establish PAG authority over rebel military units in that country. There have been reports of open dissidence among these units, and the PAG doubtless feels that it must have firm control before any accord with the French is announced. It appears that Ben Khedda's efforts in this respect have been successful, at least for the time being. [redacted]

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CURRENT INTELLIGENCE WEEKLY SUMMARY

COMMON MARKET DEVELOPMENTS

Common Market (EEC) officials are generally jubilant over the 14 January accord on farm policy which has belatedly permitted the opening--retroactive to 1 January--of the second of the EEC's three transitional stages. Although still incomplete in certain details, the agreement is a major step toward the integrated EEC market for farm products called for by the 1957 Common Market Treaty and essential to the delicate balance of national interests in the EEC. The resulting market will be a protected one, but probably less so than the national markets it replaces.

The comprehensive policy embodied in the agreement regulates trade in grains, pork, eggs, poultry, wine, fruits, and vegetables, and makes general provision for fair competition, minimum prices, and financing of the program. While the marketing systems will vary on specific products, one of their principal features will be the use of variable import levies or tariffs as the sole protective device for most of these items. Through these levies import prices will be raised to the level of EEC target prices, and the resulting receipts will be used to subsidize farm exports, support prices, and encourage farming improvements.

This program--to become effective over a transitional period of seven and a half years beginning in July--is of such scope that a ranking Bonn official has said any national parliament would have required a year to decide it. The major difficulties were caused, however, by only a few key issues. On one of these, the level at which prices will ultimately be harmonized, no real decision was made, but support prices were frozen at present levels, and the first step toward harmonization has been set for mid-1963.

On two other critical issues--administration of safe-

guard clauses and financing of the agricultural fund--ingenious compromises were found. If its market is disrupted by imports, any member country may suspend the otherwise automatic issuance of import licenses. The EEC's independent commission, however, may decide within four days to annul that suspension, and the member country will have no recourse except to the supranational community court. During the first three years, the costs of the program will be met in large part by national contributions to the EEC's farm fund. It is expected, however, that after this initial period the fund will be financed entirely by the community's import levies.

The prominent role which the EEC's institutions will thus continue to play in carrying out the farm program increases the political significance of the 14 January agreement--which in any case would have been considerable. The "farm problem" has always been considered one of the most difficult the EEC has had to face, but when the chips were down, none of the member countries was prepared to assume responsibility for failure. In all major respects the agricultural policy which finally emerged is the handiwork of Commissioner Mansholt, and his contribution has again demonstrated the vital part the Commission plays in the working of the EEC.

By paving the way for the opening of the second stage, the farm accord has contributed to the permanence of the EEC. Certain decisions which heretofore required unanimity can be made in this second stage by a majority of the member states, and neither the second nor third stage can be prolonged beyond the prescribed four years except by unanimous consent. These stages may be shortened, however, and the EEC council is expected to meet next month to decide whether the tariff changes scheduled for the second stage shall be accelerated. 25X1

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

CONFERENCE OF INDEPENDENT AFRICAN STATES

The conference of independent African states to be held in Lagos, Nigeria, from 22 to 30 January promises to be the largest to date. Arrangements call for three days of talks at the foreign ministers' level, followed immediately by a meeting of heads of state or government. It is sponsored by the 20 moderate African governments which sent delegates to Monrovia last May to plan functional cooperation, but apparently will also be attended by representatives of the five more radical African states in the Casablanca grouping.

All independent states except South Africa, which was not invited, have apparently indicated their intention to attend--although some now seem to be wavering because the Algerian rebels have not yet been invited. The Nigerians, out of deference to objections by some pro-French African states, have maintained that the question of Algerian representation can be settled only by the conference itself. The Casablanca powers' decision to be represented at the foreign ministers' level was reached only after they had failed to force a postponement of the conference. They would have preferred, for reasons of face, that reunion with the Monrovia powers take place at the conference to be held in

Tunis next April--which was scheduled before the Casablanca-Monrovia split developed. The Lagos gathering has posed particular problems for Morocco because Mauritania, which Rabat claims is rightfully part of its territory, will be there.

However, when it became clear that Nigeria's Prime Minister Balewa was determined to proceed with a meeting in Lagos now, the Casablanca allies were unwilling--at least until very recently when the question of Algerian representation apparently became acute--to absent themselves, as they had from Monrovia. Their agreement to attend influenced Sudan and, apparently, the Somali Republic--states which have been reluctant to take sides in intra-African conflicts not affecting their immediate interests.

Agenda items, now being discussed through diplomatic channels, are to be fixed by the foreign ministers. Nigeria and other moderates hope to focus discussion on 16 recommendations concerning economic, cultural, and technical cooperation and the coordination of transport and communications worked out in Dakar last July by a commission of experts from the Monrovia states. Other Nigerian suggestions reportedly will include:

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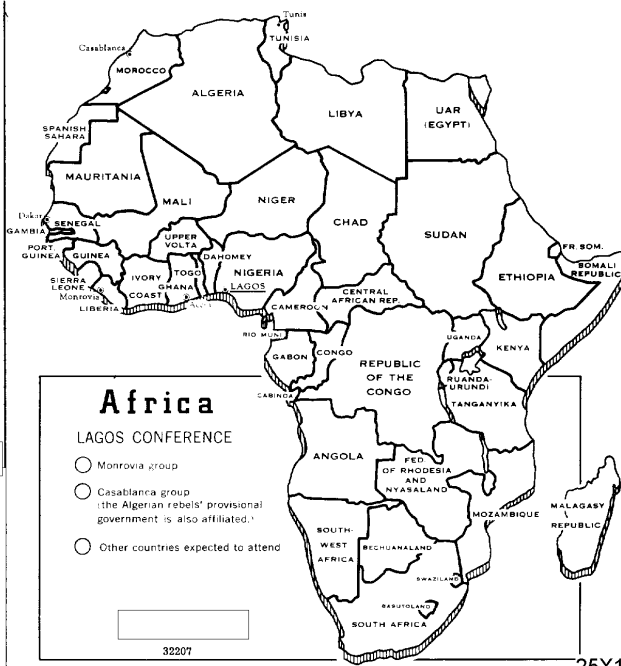
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CURRENT INTELLIGENCE WEEKLY SUMMARY

"topical" subjects such as Angola, Congo, Algeria, and South Africa; establishment of a loose overall African organization; and the question of African association with the EEC.

The more cohesive Casablanca group, on the other hand, apparently intends to try to divorce the Lagos meeting from the Monrovia background and, by exploiting the general African desire for "unity," to push its own more militant, essentially anti-Western outlook.

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Egyptian officials have also been stressing, in contacts with US representatives, the desirability of an all-African ministerial-level meeting at which "differences" could be discussed.

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talks in Accra to coordinate strategy and positions. There are some indications that at least some of the Casablanca chiefs of state, including Ghanaian President Nkrumah, may attend the summit phase if they are reasonably satisfied with the results of the preliminary meeting.

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The Casablanca group may hold separate pre-conference

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

EAST GERMANY MOVES TO ASSERT "SOVEREIGNTY"

The East German regime appears to be recovering from the uncertainty and confusion of recent weeks and to be moving ahead with the campaign to assert its sovereignty, particularly at the Berlin sector border and at the zonal border with West Germany.

Along the sector border in Berlin the regime during the past week has begun building sheds, apparently for customs control purposes, at three crossing points, in addition to a shed completed earlier at the Friedrichstrasse crossing, and may plan to build others at the three remaining crossing points. Over the weekend of 13-14 January, West German traffic through the crossing at Heinrich Heine Strasse (also called Prinzenstrasse) was slowed almost to a standstill as East German police carried out meticulous searches of West Germans, including the stripping and searching of all males. The Bornholmerstrasse crossing point, also for West Germans, was closed for the night of 15-16 January and reportedly will be closed nightly in the future.

While this harassment of West Germans probably was intended primarily to strengthen security during a major Communist celebration on 14 January (commemorating the murder of Rosa Luxemburg and Karl Liebknecht in 1919), it may have had the additional purpose of putting Bonn on notice that current moves to discourage participation by West German firms in the Leipzig fair this March

will lead to reprisals at the city sector border and probably the East - West German zonal frontier.

There has been no direct interference with the access of Western Allied military vehicles conducting routine patrols in East Berlin. On 10 January, however, East German surveillance personnel tailing a US Military Liaison Mission auto in Potsdam broke the virtual truce which had existed for almost a month by stopping the car, breaking its window, and hitting the US officer driving it in the face. When the chief of the US mission protested to the chief of the Soviet External Relations Branch of the Group of Soviet Forces in Germany (GSFG), the Soviet officer apologized for the attack, characterized the behavior of the East Germans as inexcusable, and said he is under strict instructions from GSFG headquarters to avoid undesirable incidents with the missions. Seven American officers assigned to photograph the Communist ceremonies on 14 January were harassed--but not physically assaulted--by a crowd of East Germans wearing party badges.

The East German regime is reiterating its claim to the right to control the Berlin air corridors. An article in the January issue of the Foreign Ministry's semiofficial *Aussenpolitik* asserts that the civil airlines are not entitled to fly the corridors unless they acknowledge East German sovereignty, and that the Western Allies have forfeited their air access rights

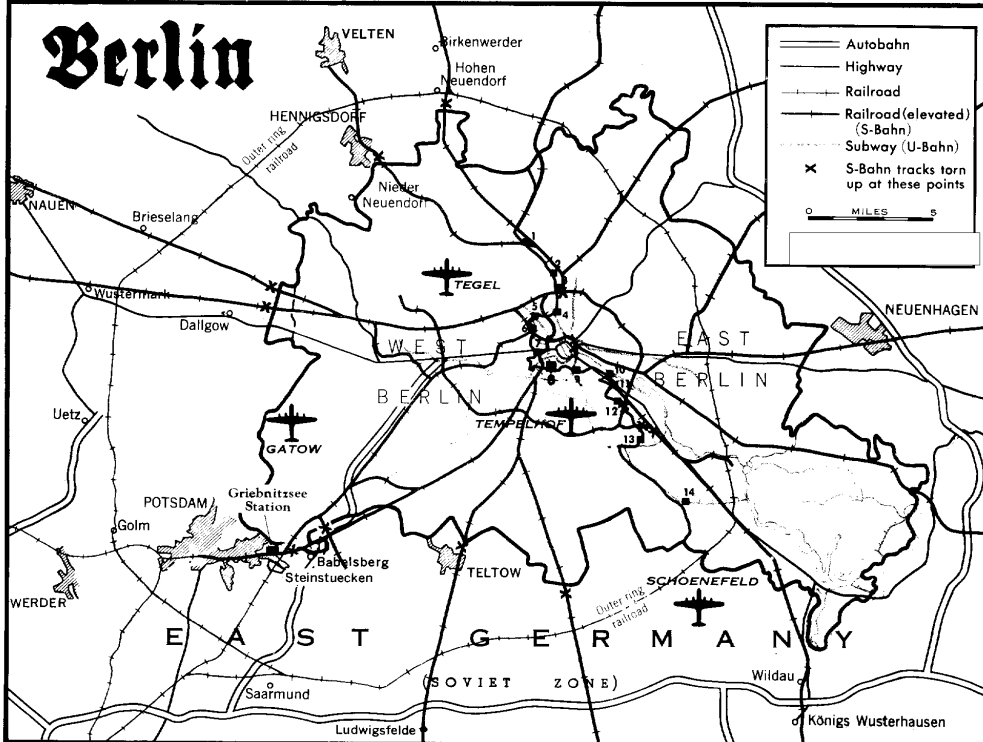
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CURRENT INTELLIGENCE WEEKLY SUMMARY

by violations of postwar quadripartite agreements. The tenor of this article suggests that, in the event of a separate Soviet - East German treaty,

Ulbricht will quickly attempt to intimidate the Western carriers into dealing with East German authorities or stop flying into Berlin.



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AUTHORIZED BORDER CROSSING POINTS

MEMBERS OF DIPLOMATIC CORPS AND OCCUPATION FORCES ONLY

8. Friedrichstrasse

WEST GERMANS ONLY

3. Bornholmerstrasse

9. Heinrich Heine Strasse

WEST BERLINERS ONLY

5. Chausseestrasse

6. Invalidenstrasse

10. Oberbaumbruecke

13. Sonnen Allee

ORIGINAL CROSSING POINTS OF 13 AUGUST NOW CLOSED

1. Kopenhagenerstrasse

2. Wollankstrasse

4. Brunnenstrasse

7. Brandenburger Tor (Gate)

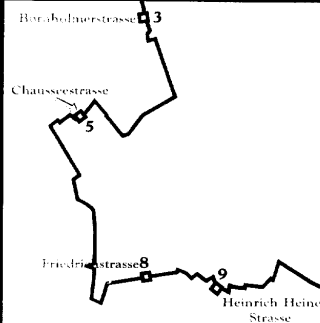
11. Puschkin Allee

12. Eisenstrasse

14. Rudowerstrasse

Authorized East Germans and East Berliners presumably can cross at any border points still open.

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CENTRAL BERLIN

Construction in progress: 3, 5 and 9
Construction completed: 8

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Some important act by the rubber-stamp East German People's Chamber to underline the regime's "sovereignty" may be forthcoming. One possible move might be enactment of a new customs law, known to be pending, which would put a "legal" end to the still existing economic union between East and West Germany and reportedly would designate East Germany's boundaries--including the Berlin sector border--as state frontiers. Another might be a law calling for general conscription in East Germany.

On 12 January, Minister of Defense Heinz Hoffman delivered a radio address in which he stated that, while East Germany had hitherto "restricted the National People's Army to 90,000 men and for years has abstained from a generally compulsory draft" despite appeals from workers for such a move, in the future "national defense will be brought to further completion" and the provisions of the National Defense Law

will be carried out "in every respect."

The release on 15 January of two American students convicted of helping an East Berlin girl in an attempt to escape to West Berlin last August would seem to have been undertaken for its propaganda value as an act of clemency by a sovereign state. The regime, however, has shown no disposition to release Frederick Pryor, a Yale University graduate student who was working on a doctoral dissertation at the Free University of West Berlin. In recent weeks, Pryor's parents have been under East German pressure to work out an exchange of Pryor for Col. Rudolf Abel, the convicted Soviet spy now in prison in the US. If this fails, the regime will probably charge Pryor with seeking contacts with prominent East Germans identified with the anti-Ulbricht faction headed by Karl Schirdewan and may even stage a show trial designed to discredit Ulbricht's former rival.

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THE ANTI-STALIN CAMPAIGN IN THE USSR

Moscow shows some signs of concern that the latest revelations of Stalin's crimes and the measures taken since October in the de-Stalinization campaign have confused and disoriented the man in the street. The initial shock was occasioned by the fact that the full extent of the

late dictator's misdeeds against his own people had never been publicly revealed. Dismay at their enormity and excitement over what de-Stalinization appeared to mean were accompanied, however, by a sense of relief and relaxation; in assessing the overall effects of the 22nd

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Soviet party congress on the Soviet people, the American Embassy in Moscow noted the freer public discussion and expression of opinion, which contrasted sharply with the careful conformity of Stalinist times.

In this atmosphere, fundamental second thoughts of serious concern to the regime are being expressed among the people. Some citizens have evidently begun to wonder out loud what guarantees exist against the emergence of a new personality cult, and whether there is any real difference between Stalin's power and the authority now wielded by the Kremlin. The present leaders' activities during Stalin's time have occasionally been questioned at public meetings. The question of the role played by the party as a whole in the building of socialism has been raised.

The regime was clearly aware that the nature of its attacks against Stalin made such questioning virtually inevitable. Immediately after the congress the propaganda mill began to supply answers in an attempt to prevent the development of unhealthy trends. Heavy emphasis was given in November and early December to explaining the difference between Stalin's autocratic powers and the authority of today's "collective leadership" as well as assurances that the personality cult could never recur.

On 14 November, for example, a writer in the trade-union organ

Trud asserted that the authority of current leaders, "as N.S. Khrushchev reminded us at the congress," derives from the activities of the masses they head. Pravda put forward a similar thesis a week later, holding that leaders are outstanding only when they correctly express the interests of the party and faithfully serve the people.

As the same time, repeated reminders appeared that the party program and statutes adopted at the 22nd congress contain "serious guarantees" against any revivals of the personality cult --presumably the provisions for systematic turnover in the composition of all party bodies. No mention was made of the fact that recognized leaders of "outstanding ability" are specifically exempted.

One of the most troublesome problems for the regime's propagandists stems from the allegations that Stalin was a complete autocrat. Socialism now is claimed to have triumphed "completely" in the USSR, and it is clear that it must have had its greatest development during Stalin's era. The question thus arises as to exactly what the Soviet party as a whole contributed to that development. Some have suggested that the party was forced into stagnation or perhaps even into degeneration under Stalin. Others have admittedly claimed that, owing to the country's peculiar international situation, one-man rule was the only workable formula for progress at that time.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Both these views have been branded a deviation from the "Marxist-Leninist interpretation of history," because, it is argued, no one man could alone have decided all theoretical and practical questions. Nothing could stop the progressive movement of society toward socialism, it is maintained, and the party remained Leninist and socialist despite the obstacles posed by the cult of personality.

Propaganda has carefully avoided any direct comment on the related question of the activities of present leaders during Stalinist times. The allegation that democratic principles were kept alive in republic and provincial party organizations may be intended as an implicit answer, since Khrushchev and most other members of his hierarchy were working at lower levels during the darkest days of Stalin's terror.

There was no discernible pattern in the way in which these answers were presented. Throughout the weeks following the congress, it appeared that the propaganda machinery went into action whenever the Kremlin felt that a particular question was beginning to trouble the populace. By December, however, Moscow had evidently become convinced that this approach had not been entirely successful.

On 25 December, Khrushchev accordingly convened the largest nationwide conference of propagandists in Soviet history to discuss "the 22nd congress and tasks of ideological work." The four-day proceedings were dominated by central party secretary Leonid Ilichev, veteran head of the central committee's agitation and propaganda department, who delivered an unprecedented indictment of Stalin as a theoretician. He accused the late dictator of the gamut of doctrinal heresies, ranging from abolition of the Marxist "law of the negation of the negation" to grave errors on

the question of raising collective farm property to the level of public property.

Ilichev exhorted the ideologists to take up the offensive in indoctrinating the people. He called for patient and insistent explanations of the party's viewpoint on the cult of personality and a clear differentiation between Stalin's power and the "vitally necessary" authority of the present leaders. He cautioned, however, both against dogmatic, uncritical attitudes and against allowing anti-Leninist views to be advanced under the guise of combating Stalinism, and added that such views should not be permitted to leak into the press. Claiming that certain recent press articles suggested that "not everybody had understood the demands of the 22nd congress," Ilichev cited one writer who had gone too far in attacking the personality cult, with the result that he had "cast doubt on the whole political economy of socialism." On the other hand, Ilichev lamented, some people were still "sticking to the viewpoint that Stalin was a theoretical god."

Such warnings reflect a desire to establish limits at both extremes of the doctrinal spectrum and thus to set up the framework within which the ideological re-education of the Soviet people is to take place. Thus far, however, the Kremlin appears undecided on just which aspects of Stalinism to discard and which to retain, and on the extent to which any further liberalization of thought will be tolerated. Furthermore, the regime has been unable to evolve completely convincing arguments that the nature of Kremlin rule has undergone a fundamental permanent change. The ideological conference appears to have been notable chiefly for its failure to provide new answers to those questions which Moscow feels must be most troublesome to the general populace.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

SINO-SOVIET-ALBANIAN RELATIONS

The Sino-Albanian documents signed on 13 January included agreements on 1962 trade, technical and scientific cooperation, and the provision by the Chinese Communists of complete plants for Albania. They also cover Chinese credits for Albania, and some reports imply that new credits are involved; so far, press commentaries from Peiping and Tirana have blurred this matter. Peiping already is committed to an extensive long-term economic aid program under earlier credit agreements--\$13,500,000 in 1959 and \$125,000,000 last year, most of which remains unused.

The agreements are aimed at countering the sanctions imposed on Albania by the USSR and the European satellites and were signed at a time when Peiping is holding trade talks with the USSR. As happened in 1961, the Chinese may withhold the more precise terms of the agreements with Tirana pending the outcome of the Soviet negotiations.

As it did in mid-1960, Moscow is again hinting that China may find itself cut off from Soviet bloc economic support. On 6 January a Soviet radio commentary to Indonesia, allegedly responding to a listener's question on Soviet aid to Peiping, warned that "the idea of building socialism separately from other socialist countries is theoretically unsound...it is reactionary in nature and dangerous politically."

Foreign Minister Chen Yi the day before had told Chinese Communist scientists and

engineers that "by relying mainly on our own efforts, in addition to international aid, scientific and technical problems in China's economic construction and national defense can be solved." Chen's statement is the first by any Chinese Communist official to include problems of "national defense"--i.e., equipping and modernizing Peiping's armed forces--in the category of self-reliance, and suggests that the Chinese leaders are willing to accept the continued prospect of reduced Soviet military aid rather than yield on the question of Albania and bloc strategy.

Directly contradicting Soviet statements, Chinese Premier Chou En-lai on 13 January declared Albanian party boss Hoxha's leadership "correct" and praised Tirana's defense of the "purity" of Communist doctrine. A press communiqué on the economic talks, issued in Peiping on 15 January, by implication took Moscow to task for disrupting bloc unity through its political and economic sanctions against Albania and China.

There are indications that the Sino-Soviet dispute may lead to a scaling down of diplomatic contacts between Moscow and Peiping. The Chinese have already reduced the size of their diplomatic staff in Moscow.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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Despite the deterioration of Albania's relations with the Soviet bloc, which included severance of diplomatic relations with the USSR in early December, Albania has not been formally ousted from the Warsaw Pact or the bloc's Council for Mutual Economic Assistance (CEMA).

Recent Albanian comment has differed from Peiping's only by using names and harsher language. A Zeri i Popullit article on 9 January stated that Khrushchev had twisted Lenin's concept of peaceful co-existence to mean that the policy of the Soviet state must be "confined" to the matter of living at peace with states of different social systems. The complaint is that Khrushchev deliberately ignores the problem of relations among Communist-led states based on the principles of "fraternal aid and assistance" and the need to support "by all means" the liberation struggle of dependent peoples--the latter charge made again by the Chinese on New Year's Day. The article concedes that at the Soviet 20th party congress Khrushchev advised Communists in capitalist countries to prepare either for the peaceful or nonpeaceful road to a seizure of state power,

but it goes on, as had Peiping, to attack Khrushchev's reluctance to stress the nonpeaceful road--"armed revolt."

Zeri i Popullit also states that one of Khrushchev's most "dangerous views" is his insistence that disarmament is the "only" road to peace and represents the "primary and most urgent tasks" for the world Communist and "anti-colonial" movement, by which colonial peoples "automatically will be saved from imperialism," without fighting.

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The Chinese Communists may have been responsible for the publication in a Hong Kong Communist newspaper, Ching Po, of a direct attack on Khrushchev. Chinese Communist officials arrived in Hong Kong in November to join the local Communist press organization--a move which may have resulted in the publication on 28 December of an editorial stating that "Khrushchev's cult of personality

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CURRENT INTELLIGENCE WEEKLY SUMMARY

is responsible for the Albanian problem." Although the attack could be merely an expression of the editor's own opinion, it does not contradict the views believed to be held privately by Chinese officials.

Khrushchev's prestige is deeply committed in the current dispute, and Moscow seems intent upon demonstrating the extent of Tirana's and Peiping's isolation in the Communist movement on the issue of Albania. Pravda on 12 January carried a Tunisian Communist appeal for "every" Communist party to criticize Tirana. The Albanians are

complaining that Khrushchev in effect is trying to compel non-Soviet parties to attack their leadership openly. Pravda on 17 January claimed that the Albanian leaders were condemned by "the overwhelming majority of sister parties" and the "entire" Communist movement.

Khrushchev has thus far been supported among the world's Communist parties by roughly the same majority which backed him in late 1960, but he is finding it more difficult now to conceal the existence of a strong minority and to suppress its views.

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CHINESE COMMUNIST RELATIONS WITH JAPAN

Communist China's economic difficulties, together with its strained relations with other members of the bloc, have apparently induced it to modify its attitude toward trade with Japan. Until late last year, Peiping insisted that Tokyo had to drop its "hostile" attitude toward the mainland and stop supporting the "two-Chinas scheme" before trade could be significantly increased. Now, however, Peiping gives every indication of a readiness to tone down its political demands

as part of what is probably a general effort to diversify its foreign trade sources.

Chinese Communist trade agencies have concluded a number of important deals with private Japanese firms, and others are under discussion. Negotiations for Chinese exports of soybeans, coal, salt, tin, and other raw materials have met with modest success. The Chinese recently bought nearly \$8,000,000 worth of Japanese fertilizer, and similar transactions

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CURRENT INTELLIGENCE WEEKLY SUMMARY

are pending. Last fall, Japan made its first substantial sale to China of steel products, and the sale of around 100,000 tons is reportedly anticipated in 1962--an amount equal to that under discussion when Sino-Japanese trade was disrupted in 1958. The Chinese have also bought synthetic rubber, wool, and rayon fibers from Japan recently, and press reports continue to mention inquiries and negotiations for Japanese petroleum products.

The volume of Sino-Japanese trade, which reached a peak of \$140,000,000 in 1957 and dropped to a low of about \$22,000,000 in 1959, may have reached nearly \$50,000,000 in 1961. A heavy Japanese import surplus during the first half of the year was probably reduced by the large imports by China in the second half of the year. An increase to some \$80,000,000 is expected for 1962, according to a recent statement by the Japanese Foreign Ministry. This figure could rise or fall rapidly depending on Chinese tactics, but at the moment it appears to be a realistic appraisal of the trend.

The Chinese Communists have not advertised their change in attitude, suggesting that they are reluctant to undercut their tough political stance toward the Ikeda government. Peiping continues to denounce Tokyo's pro-US policy and to accuse Prime Minister Ikeda of plotting the revival of Japanese militarism and the formation of an anti-Chinese military alliance in Northeast Asia.

The number of Chinese friendship and cultural mis-

sions to Japan has increased, probably signaling that Peiping intends once again to broaden its contacts--severely restricted for the past several years--with Japanese leftists. Peiping's action in receiving a Japanese Socialist party (JSP) mission to China recently suggests that it is anxious to restore its influence within the JSP, which was disrupted by the assassination of pro-Peiping JSP leader Asanuma in 1960. The Chinese urged the mission to obtain the party's acceptance of the "struggle against US imperialism" as its main task, and managed to extract from it an endorsement of the Asanuma line that the anti-US struggle is a "common task" of the Chinese and Japanese people.

The acquiescence of the mission in what is viewed by many in Japan as heavy-handed Chinese interference in Socialist party affairs has drawn sharp criticism on all sides in Tokyo. It could not only cost the Socialists election losses but might also stimulate serious dissension within the party itself. Peiping may have risked this reaction in the belief that the left-wing factions of the JSP, which predominated in the delegation to China, have a chance of obtaining the post of JSP secretary general in the near future. Such a development, following the factions' accommodation with Peiping, would probably again place the Chinese in a position of influence in Socialist affairs comparable to that enjoyed during the Asanuma era.

(Prepared jointly with ORR)

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CURRENT INTELLIGENCE WEEKLY SUMMARY

GROWING RESISTANCE ACTIVITY IN NEPAL

25X1 [redacted]
 25X1 [redacted] stepped-up resistance ac-
 25X1 tivity in Nepal against King
 25X1 Mahendra's one-year-old authori-
 25X1 tarian regime. [redacted]

25X1 there have been several armed
 25X1 raids on government police posts
 25X1 in outlying areas.

The immediate objective of these forays, which have occurred in eastern and central districts bordering on India where the Nepali Congress is strongest, apparently is to harass the royal administration with a view to gradual evasion of the King's support within the government and among the people. Congress leader Subarna is resisting pressure from the extremist wing of his organization for all-out action, judging that the movement is not yet strong enough to risk launching a general revolt.

The success of any major uprising would depend largely on the position of Nepal's army and police forces, which appear capable of maintaining order through most of the country. Despite Nepali Congress claims of growing disaffection, there is little evidence that significant elements in the army are or are likely to become disloyal to the King. The Indian ambassador in Katmandu reportedly believes that while certain senior officers may be favorably inclined toward the Nepali Congress and restoration of parliamentary government, they are

unlikely to take any initiative in opposing the King.

Mahendra betrayed his nervousness over opposition efforts in an unusual public attack on 25X1 6 January on "traitors trying to seize power from the sanctuary of a foreign power." [redacted] 25X1 he has expressed concern over what he construes as growing Indian hostility toward his regime, charging Indian complicity in Nepali Congress activities and noting Nehru's apparent lack of interest in a personal meeting. He has also sought assurances of support from "friendly" governments.

Nehru [redacted] has long 25X1 been critical of Mahendra's takeover as a serious setback to his efforts to speed Nepal's development within the Indian sphere of influence. Recently he has expressed concern over Mahendra's growing ties with Peiping.

Nevertheless Nehru reportedly continues to feel that rebel attempts against the royal regime--unless assured of success --would play into Peiping's hands by providing a pretext for intervention. He apparently intends therefore to stick to his policy of avoiding strong open 25X1 support for the Nepali Congress exiles [redacted]

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ITALY'S CHRISTIAN DEMOCRATS PREPARE FOR NATIONAL CONGRESS**

Early returns indicate that a majority of the provincial delegates elected to the congress of Italy's governing Christian Democratic party, which opens in Naples on 27 January, will be disposed to favor formation of a center-left government dependent on parliamentary support from Pietro Nenni's Italian Socialist party, but firm positions will probably not be evident before the congress convenes. Leaders of both parties are stressing the points of similarity in the programs each group has prepared for such a government--which would probably be headed by the present premier, Amintore Fanfani--but minority elements in each will probably play up the differences in an effort to block a rapprochement.

Results from 57 of the 96 provinces electing delegates to the congress reportedly show a substantial majority--estimates range from 60 to 80 percent--favoring a center-left government. In addition, the leaders of the party's two largest factions--Fanfani and party secretary Moro--appear to have reached an understanding which would line up Moro's heretofore uncommitted faction in support of the plan.

The attitude of the Catholic Church is still not clear. Moro indicated to the American ambassador in early December that his party would lose votes

if the church should oppose the scheme but that so far the church seemed to be going along. He considered the present situation the most delicate his party had faced since 1953, when it lost its majority in the national elections. On 11 January an article in the semiofficial Vatican paper Osservatore Romano attacked the Socialists, but because the article was not an editorial, it is not considered in press circles to commit either the paper or the church hierarchy.

After formulating an economic program which appears to be generally acceptable to the Christian Democrats' center-left majority, the Socialist central committee on 11 January defeated a motion by Nenni's left-wing opponents calling for radical changes in Italian foreign policy, and backed a resolution merely urging that NATO be given a "defensive interpretation and geographic limitation." The American Embassy reports that Nenni implied that the opposition of Riccardo Lombardi, the Socialists' number-two man, to any plan for a NATO atomic striking force should not be construed as Socialist party policy. Lombardi's remarks can, however, be exploited by Christian Democrats, who hold that any alliance with the Socialists would adversely affect Italy's foreign relations.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

BOLIVIA

Bolivia's governing Nationalist Revolutionary Movement (MNR) is preparing for a national convention in late February to nominate candidates for congressional elections next May or June. It now holds all 18 seats in the Senate and 51 of the 68 in the Chamber of Deputies. One third of the Senate seats and half of those in the lower house are at stake.

The pre-convention maneuvering is sharpening the rivalries among the party's three principal factions and may lead to outbreaks of violence, since each leader has armed followers. Armed civilians, loyal to local political or trade-union leaders, have repeatedly been involved in political clashes in recent years, particularly in La Paz, Cochabamba, Santa Cruz, and the mining areas.

President Paz controls the core of the party, but dissatisfaction with slow economic progress under his leadership has strengthened dissident factions. A new cabinet appointed on 9 January appears to have given more representation to Paz' group, but further changes are probable after the convention. Newly appointed Foreign Minister Fellman is likely to act primarily as a Paz supporter despite his past association with the far left-- a record which includes having employed Che Guevara, now Cuba's minister of industries, in a government job for some months in the early 1950s.

As President, Paz controls the army, but use of the regular armed forces is particularly unpopular in Bolivia, since they backed the more conservative regimes which preceded the MNR

and were defeated by groups of armed civilians in the 1952 revolution. As a politician, however, Paz also has the loyalty of a rural militia force which he called to the capital on four occasions last year to back his policies by intimidating his opponents.

Vice President Juan Lechin, the country's most important labor leader, is apparently hoping to build up his strength within the party organization to control the presidential nomination in 1964. Although Communists have made inroads in the miners' unions, which are armed and which form his labor base, Lechin can still exert considerable control over the mine workers.

Many of Lechin's labor supporters now in congress, however, appear to have joined a third MNR faction formed during the past year by former Labor Minister Anibal Aguilar and the Sandoval brothers. The Sandovals have had considerable armed strength in and around the eastern city of Santa Cruz in recent years, and in the past six months they have been involved in several armed clashes which caused numerous deaths.

All three factions profess the leftist orientation which has been essential to political success in Bolivia since the revolution of 1952. When Lechin recently asserted, for example, that members of the Aguilar-Sandoval group had helped to put through the US-backed economic stabilization plan, Aguilar countered that Lechin during 1961 had chosen to visit Taiwan rather than Communist China. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****PANAMA**

President Chiari's coalition government continues to be divided by conflicting personal ambitions. Chiari's weakness is reflected in such developments as the National Assembly's recent passage of an inflationary budget over executive objections. This weakness is impeding Panama's adoption of reform measures called for by the Alliance for Progress.

Chiari, who won a surprise victory in the May 1960 elections, despite the opposition of the incumbent administration, is a moderate but commands little support in the National Assembly. Both of his Liberal party's important coalition partners, the Republican and Third Nationalist parties, are headed by determined presidential aspirants, Second Vice President Jose Bazan and Finance Minister Gilberto Arias respectively.

Arias, for political as well as fiscal reasons, so strongly opposed the Assembly's revision of the budget as irresponsible that he threatened to leave the government if Chiari signed the bill. He was persuaded to stay, however, probably by Chiari's intention to request extraordinary powers to use after the Assembly adjourns late this month. If these are granted, the executive can--if it wishes--enact by decree reforms called for under the Alliance for Progress. The 12-party Assembly

has failed to implement most of Chiari's programs, however, and it may refuse him the requested powers.

Several deputies are among Panama's most demagogic nationalistic agitators. They opposed Panama's break with Castro in December, and one of them, Thelma King, authored a recently passed Assembly motion demanding removal of the wire fence separating parts of Panama City from the Canal Zone. The resolution compares the fence, built after the anti-US violence in November 1959, to the wall dividing Berlin.

A previously reported invitation for Mrs. King and other deputies to visit the USSR in May at Soviet expense now has become public. Although Panama does not have relations with the USSR, the deputies may accept, arguing that such a trip would improve Panama's international reputation and contacts, and focus world attention on its desire for a new treaty on the Canal Zone. President Chiari last September requested treaty negotiations with the United States, and most of the invited deputies are so concerned with pushing their country's demands against the US that they could easily be exploited by Soviet propagandists.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**SPECIAL ARTICLES**BLOC MILITARY AID TO CUBA**

The Sino-Soviet bloc has been supplying the Castro regime with large-scale military assistance for more than a year. Bloc military deliveries--primarily from the USSR and Czechoslovakia--have included MIG jet fighters and a wide assortment of land armaments ranging from small arms to heavy tanks. Extensive military training has been provided both in the bloc and in Cuba.

Communist military aid has turned the Cuban military establishment into one of the strongest in Latin America. This support has been instrumental in enabling Castro to combat the counterrevolutionary movement and to consolidate control over the population.

Background

The Castro government in 1959--the year it came to power--began its attempts to procure bloc arms. The USSR's initial cool response was largely the result of uncertainty over the future course of the Cuban revolution. As Havana's efforts to purchase military equipment in the West encountered increasing difficulties through 1959 and early 1960, Cuban purchasing missions traveled to the bloc to investigate new sources of supply. Discussions reportedly covered a whole range of equipment from small arms to modern jet aircraft.

With Mikoyan's trip to Cuba in February 1960, the USSR abandoned its former aloofness toward Cuba in favor of all-out propaganda and economic support but still appeared unwilling to

move toward a major arms deal as fast as the Cubans desired. Recognizing the initial popularity of the Cuban revolution in the rest of Latin America, the Soviet Union preferred to grant endorsement to Castro and commend his regime's "neutralism," rather than arouse apprehension in other Latin American countries and the United States by rushing in with arms. Mikoyan's visit signaled the beginning of a massive bloc trade and aid program which gained momentum throughout 1960 as US-Cuban relations deteriorated.

In the wake of the abortive East-West summit meeting in May 1960, many of the Soviet inhibitions about providing military aid to Cuba disappeared and the bloc undertook to associate itself more closely with the Castro regime. This period was characterized by Soviet attacks on the Monroe Doctrine and assurances of support in the event of US military action against Cuba. However, these assurances--including Khrushchev's ambiguous references to retaliation with missiles--were offered in general terms intended to cover arms aid and technical assistance without committing the USSR to specific moves in support of Cuba.

Cuban military negotiations with the USSR and Czechoslovakia in the early summer of 1960 were followed by a well-publicized trip to Prague and Moscow by Raul Castro, which probably was the occasion for the conclusion of secret arms deals. In mid-summer of 1960 a shipment of Czech small arms and ammunition arrived in Cuba. Shortly

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CURRENT INTELLIGENCE WEEKLY SUMMARY

thereafter, the first sizable group of Cuban military personnel was sent to the bloc for training.

Further talks in Cuba during July and August probably concerned arrangements for the delivery of bloc arms, accompanied by military technicians to provide the necessary training. By August, Czech small arms were being issued to some Cuban militia units. In September the first major shipment of Communist arms arrived.

Scope of Bloc Military Aid

From September 1960 until the late summer of 1961, bloc arms deliveries were made regularly to Cuban ports

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No financial information on the bloc's arms deals with Cuba has been disclosed, but it is estimated that something on the order of \$100,000,000 worth of equipment and technical services has been provided. Large numbers of vehicles and other military-related items have also been delivered.

During a recent military parade celebrating the third anniversary of Castro's takeover, a representative sampling of bloc military hardware was unveiled. Units equipped with medium and heavy tanks, assault guns, truck-mounted rocket launchers, artillery, antiaircraft weapons, and mortars, as well as rifles and machine guns, were featured prominently. A flyby of MIG jet fighters, including some high-performance MIG-19s, was one of the highlights of the air display, which also

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Ground Forces

The capabilities of the Cuban ground forces have increased steadily since the introduction of bloc equipment and training. Under the new organizational structure, the ground forces available to the regime are estimated to include 75,000 full-time army and militia personnel, 100,000 in the militia's ready reserve, and another 100,000 in the part-time militia.

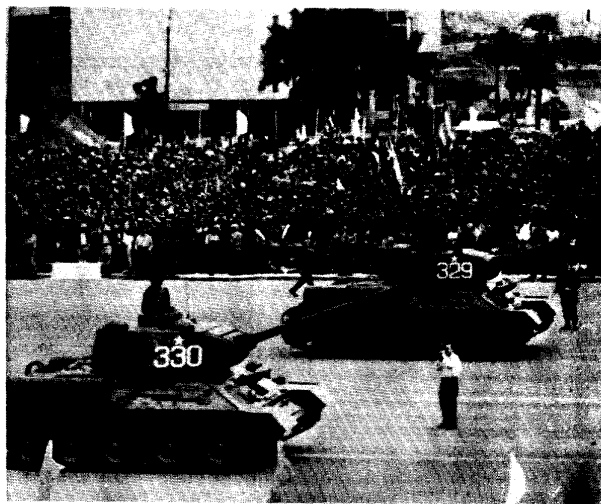
All units are equipped with bloc small arms, and many have heavier equipment as well. Soviet bloc arms aid has given the Cuban ground forces an armored, artillery, anti-aircraft, and antitank capability largely lacking in the past and unknown to other countries of the Caribbean area. Hundreds of bloc transport vehicles have greatly increased the mobility of these forces. Thousands of modern bloc small arms have been delivered, enhancing the regime's guerrilla warfare capabilities and enabling it to release Western-made weapons



**SOVIET AT-5 ARTILLERY TRACTORS
TOWING 122-mm GUNS
(Havana, 2 January 1962)**

included helicopters and piston-engine trainers.

During the second half of 1961 the focus of the bloc's military aid to Cuba was on assimilation of new equipment, intensive training, and completion of the reorganization of Cuba's military establishment along bloc lines. Negotiations with bloc military aid personalities, however, are believed to have taken place in Cuba last summer, and they probably resulted in new agreements. The recent resumption of large-scale military deliveries to Cuba probably is in fulfillment of these new agreements.



**SOVIET T-34 TANKS
(Havana, 2 January 1962)**

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

130 mm., 32-tube TRUCK-MOUNTED
ROCKET LAUNCHER
(Havana, 2 January 1962)

for subversive operations in other countries.

An estimated 350 Soviet bloc instructors have been used extensively for training purposes and serve as full-time advisers to some individual units. The combat effectiveness of the Cuban ground forces has risen under continuous bloc tutelage to a level probably surpassing that of any other Latin American country. In addition, bloc aid is helping the Castro regime develop a

well-trained military cadre which ultimately could be used to lead or support Communist guerrilla actions in the rest of Latin America.

Some Chinese Communist weapons have been supplied to the Cuban ground forces, but the extent of Peiping's activity in the military aid field is unclear.

Air Force

The capabilities of the Cuban Air Force declined sharply as a result of purges and defections of key personnel following Castro's takeover. One of the major goals of the new regime was to acquire combat jet aircraft, and many of the Cuban military trainees who went to the bloc in the summer of 1960 were air cadets. At least 75 Cuban pilots are believed to have been trained in the bloc. Most of them now have returned to Cuba, where they are continuing to receive training in MIG jet fighters which arrived last summer.

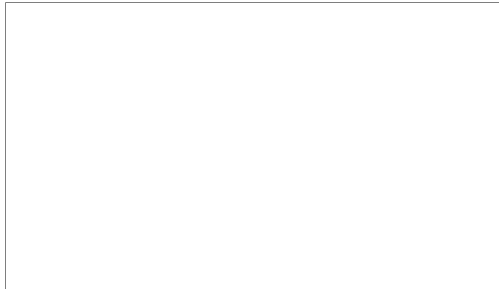
Aircraft deliveries have included at least 50 MIG-type fighters, some of them MIG-19 supersonic interceptors which are still of primary importance in the bloc's own air defense. The bloc has also supplied helicopters, piston-engine trainers, and small, single-engine transports. At least 12 IL-14 twin-engine transports were delivered last fall for the Cuban civil airline. There are some indications that Cuba may receive Soviet jet bombers, but none have been delivered so far.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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The Cuban Air Force now is able to provide effective support to ground units, and the introduction of supersonic Soviet fighters and air intercept radar equipment is strengthening its air defense capabilities. Its few B-26 bombers could be used against nearby targets, but until Soviet bombers are provided, Cuba will continue to have little offensive air capability outside its own territory. Offensive operations in the rest of Latin America are also hindered by the lack of more than minimal troop and cargo transport capability.

Navy

During the first year and a half of the bloc's military aid program, the Cuban Navy did not receive any significant assistance. A few Cuban vessels have been equipped with bloc anti-aircraft guns and possibly other equipment, but no bloc naval vessels were delivered. One Kronstadt-class submarine chaser recently arrived in Cuba, however, along with four motor torpedo boats. Another patrol vessel is en route.

Although there is no evidence of bloc training for Cuban naval personnel, a program for strengthening Cuba's limited

naval capabilities appears to be under way.

Outlook for Continued Arms Aid

In keeping with the pattern of Soviet military aid to other countries, it is unlikely that Moscow will establish a Soviet military base in Cuba; deliver nuclear armaments, long-range guided missiles, or other strategic weapons; or even dispatch "volunteers" for military service in the event of conflict. Rather than planning on the use of Cuba as a staging area for overt Communist military operations in the western hemisphere, the USSR probably views its arms aid to Cuba as essential to maintain the present Cuban regime.

The current arms deliveries may be the beginning of a new

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phase in the bloc military aid program emphasizing a further build-up of the Cuban air and ground forces, but also including an expansion of the regime's naval capabilities and the delivery of more modern equipment. Moscow may even have agreed to supply Cuba with short-range tactical guided missiles similar to those being provided to Egypt, Iraq, and Indonesia. (Prepared by ORR)

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CURRENT INTELLIGENCE WEEKLY SUMMARY

FRANCO'S PLANS FOR A SUCCESSOR REGIME

Only recently in his 25 years of personal rule has Franco come seriously to grips with a problem which has long disturbed many Spaniards--the question of the succession. Presumably in an attempt to allay the anxiety of his supporters and at the same time to dissuade monarchists and other conservatives from any cooperation with more radical opposition elements, the Spanish leader now has a blueprint for a successor regime. Both Franco and the pretender Don Juan appear confident that a constitutional monarchy can eventually be superimposed on most of the present institutions.

Present Arrangements

Franco is simultaneously chief of state, president of the government, commander in chief of the armed forces, and chief of the National Movement, of which the Falange is the core. The Law of Succession of 1947, one of six laws passed by the present regime to take the place of a formal constitution, declares Spain to be a kingdom and provides that a king or regent will succeed Franco as chief of state. No provision was made, however, for passing on his real powers as head of the government.

Present arrangements specify that when Franco dies or is incapacitated, a three-man Council of the Regency takes over the government pending choice of a successor by the cabinet and the 14-member Council of the Realm, which includes high-ranking

church and military dignitaries and important state officials. The new chief of state would be installed after his approval by parliament. In the absence of any individual capable of holding the loyalty of the various influential groups, the army would probably soon be obliged to take over to maintain public order.

Franco's Plan

A new draft law, which has been prepared under Franco's direction, would divide his powers between a future chief of state, whether king or regent, and a head of government. The law implies no intention to divide these powers as long as Franco rules, but it formalizes his long-held opinion that no one individual should inherit all of them.

The head of government would be appointed by but would have wider powers than the chief of state. He would not be subject to ouster if parliament should change its political complexion or reject his policies. However, he would not be able to alter any basic state institutions. The Council of the Realm would continue in existence, and the chief of state's power to choose and dismiss the head of government would be subject to its "advice and consent." Parliament would presumably be little different from the present Cortes, which serves merely to ratify decisions of the government.

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Don Juan and his political advisory committee reportedly accepted the essential points of this law on 4 November. They did not, however, approve of some of its specific provisions,

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They felt that the future king should have powers comparable to those of De Gaulle but less sweeping, while the powers of the future head of government should be "considerably more" than those of the French premier. Don Juan told New York Times correspondent Benjamin Welles in mid-November that he felt the plan which Franco had sent him "some months" earlier gave too much power to the king and not enough to the prime minister.

Implications

Franco has so far refrained from publicly designating the next chief of state. Don Juan, now 48, is generally expected to be chosen, despite speculation that his 23-year-old son, Prince Juan Carlos, would succeed Franco. Juan Carlos has insisted that he will not occupy the throne before his father; in any case, Spanish law would prevent his assuming full powers before his 30th birthday.

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Perhaps the most significant of these terms is Franco's insistence that the future king pledge in advance to perpetuate the essence and legislation of the present regime and the National Movement. This presumably refers to the concept of "organic democracy," or state corporatism, whereby the individual participates in the administration of the state through the "natural" units of the family, municipality, and syndicate. No political activity is permitted now except through the Falange. There is the implication under Franco's plan, however, that the syndicates (associations of employers and workers) will play an increasingly important political role and will eventually assume the role of political parties.

During the past two years, Don Juan's followers of liberal persuasion and the monarchist sympathizers in Gil Robles' right-wing Christian Democratic group have felt that the pretender was increasingly giving in to Franco on basic issues, and they have urged him to take a strong position. He has refused, however, to do anything that might cause a rift with Franco and thereby jeopardize his chance of becoming king. His policy has been to make certain concessions, in the belief that the advantages thereby gained for himself would outweigh any dissatisfaction on the part of his followers or potential allies among the democratic opposition.

Early in 1961, Don Juan indicated publicly that he favored

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CURRENT INTELLIGENCE WEEKLY SUMMARY

a monarchical state which would avoid "dangerously weak political formulas"--clearly a reference to the old system of many political parties--a system whose return Franco is determined to prevent. Don Juan's acceptance of the new draft law implies agreement with Franco's demand that the important institutions of the present regime continue unchanged under any successor. On the other hand, all opposition groups left of center would insist that the right of broad political activity be guaranteed in any future agreement between them and Don Juan.

Nevertheless, Don Juan is anxious to avoid alienating the democratic opposition to Franco, and in accepting the new law he was careful to express his interest in having the prime minister's powers increased--presumably with an eye to strengthening his position among moderate political elements. Components of the coalition of non-Communist left-of-center parties known as the Union of Democratic Forces, which was set up by exile groups in France in mid-1961, have said they are willing to accept a temporary restoration of the monarchy until a permanent form of government can be determined by a referendum.

Franco may calculate that success in securing the support of the great majority of monarchists for the new law would afford his regime an additional prop. Should the advent of the

monarchists to the "family circle" so antagonize the republican-minded Falange organization--which no longer has any real political power--as to cause its withdrawal, a replacement with considerably more public appeal would be at hand.

Outlook

Support for an orderly succession through the mechanism outlined in the new draft law would probably be forthcoming from the army, the church, big business, and landowners, particularly since the monarchy would be unlikely to take any radical steps in political and socio-economic reform. The syndicates would probably back the plan in the hope that its implementation would give them increased political influence and a chance to strengthen their appeal among the workers through legislation granting greater welfare and social security benefits.

Opposition could be expected from the Falange, intent on safeguarding its future existence. Also opposed would be the many politically minded workers who have little use for the syndicates and young intellectuals to whom the monarchy connotes corruption and favoritism. The plan would almost certainly be unacceptable to various small opposition groups of republican sympathies.25X1 The public at large is apathetic toward the monarchy.

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