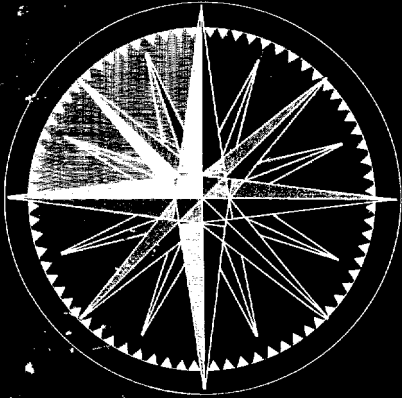


26 April 1963

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WEEKLY SUMMARY

OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed

DIA review completed.

CENTRAL INTELLIGENCE AGENCY

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(Information as of 1200 EST, 25 April 1963)

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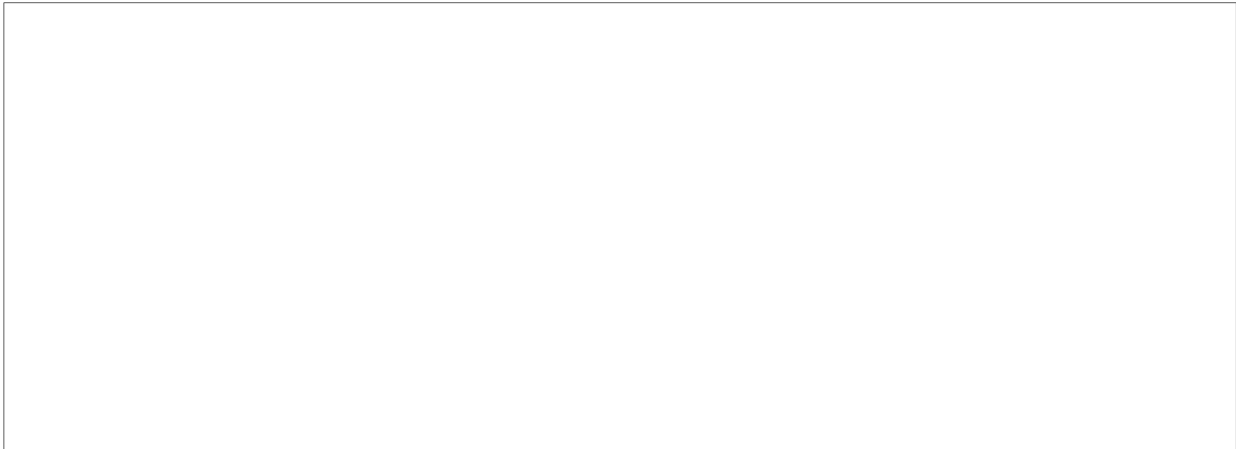
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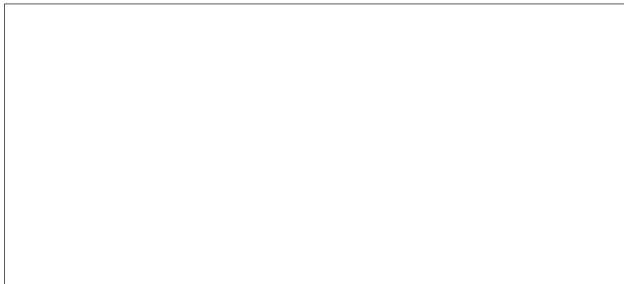
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Cuba

SOVIET AND CUBAN MILITARY ACTIVITY

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at Holguin on 1 April. A Cuban and a Soviet were performing guard duty together. This provides the first reliable information associating

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at the Soviet armored camps with Cuban troops at these installations. New vehicle hardstands were observed under construction at the Artemisa and Santiago de las Vegas camps, and increased tank and truck activity continues at all four camps.

On 16 April, a Soviet merchant ship armed with mobile,

four-barreled, antiaircraft heavy machine guns was photographed in Cuban waters. A Soviet merchant ship with similar armament was photographed en route from Havana to Caibarien, on 12 April, and on 29 March two other Soviet merchant ships were reported to be armed. The arming of Soviet merchant ships in Cuban coastal waters is believed to be in response to the recent anti-Castro exile raids on Soviet ships.

Only one Soviet passenger ship left Havana during the past week. The ship has a normal passenger capacity of 340, and at least 120 persons were observed on board. No Soviet passenger ships are in Cuban ports or en route to Cuba.



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Cuba

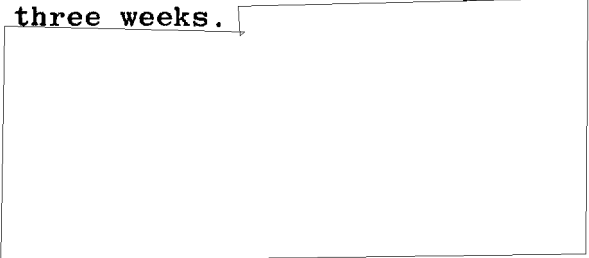
MAY DAY PREPARATIONS IN HAVANA

Preparations for large-scale May Day celebrations in Havana are well advanced. The ceremonies will feature a four-hour parade and a keynote speech by Fidel Castro.

A recent Havana Radio announcement said 120,000 workers, including more than 1,000 trained gymnasts, will take part in the parade. Another broadcast indicated that as many as 106 delegates representing 53 organizations from 46 countries of Asia, Africa, Oceania, and Europe will be on

hand. Included are all of the countries of the Sino-Soviet bloc, together with representatives of the WFTU and other international Communist-front organizations.

Many of the attending delegates are scheduled to remain in Havana for as long as three weeks.



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CASTRO'S TRAVEL PLANS

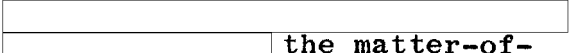
Ahmed Ben Bella's announcement on 21 April that Fidel Castro will come to Algeria in May suggests that the Cuban leader will make his projected trip to the USSR at that time. This is in line

late March that he was planning his Algerian visit in connection with a trip to Moscow in May.

Moscow appears to be preparing one of the most enthusiastic welcomes ever given a foreign visitor. The Soviet press, waxing eloquent over the prospects of Castro's visit, has been full of stories about the Cuban leader and recounts of the Bay of Pigs invasion. Alexey Adzhubey, Khrushchev's son-in-law, has publicly promised Castro a warm welcome,

saying that "all Russia" is impatiently awaiting his arrival.

Moscow's enthusiasm has not been matched by Havana.



the matter-of-fact treatment the regime is giving the trip tends to give the impression that Castro is lukewarm to the whole idea. There are, moreover, indications that Castro still harbors a smoldering resentment over Soviet actions during the missile crisis, that he rejects the idea of being treated as a satellite, but that he recognizes Cuba's need for continued Soviet aid.

A 21 April press report from Tokyo suggested that Castro might visit Communist China in connection with his trip to Moscow.



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The Communist World

PROSPECTS DIM FOR SUCCESS OF ANY SINO-SOVIET TALKS

Peiping has not yet responded to the Soviet proposal of 30 March that bilateral talks take place in mid-May, but the Chinese reportedly plan to send a high-level delegation to Moscow. The editor of a Hong Kong Communist newspaper who had recently returned from the mainland asserted that the delegation would be headed by politburo member Peng Chen, a logical choice in view of his previous experience in talks with the Soviet party on matters at issue.

The prospect that talks will soon be held, however, does not make a resolution of differences any more likely. Communist powers generally do not use negotiations as a means of reaching a compromise between extreme views. In their dealings with the free world, both the Soviet Union and China have used negotiations merely as a means of wearing down their antagonist through constant reiteration of a basic position. Willingness to enter into negotiations is propagandized as an expression of good will on the part of the Communist power; failure to reach agreement is pictured as a result of intransigence on the part of the other power.

With two states both schooled in this technique facing one another over the negotiating table, long and unpleasant sessions can be expected, with

only little apparent, and no real, forward movement at the conclusion.

Both parties appear to be preparing for negotiations by publicly setting forth their views with little attempt to minimize the enormous distance between them. Technically both sides are adhering to the agreement reached in the recent exchange of letters not to engage in "polemics," but the war of words continues. The Soviet Union and China now limit themselves to "principled" affirmations, while more contentious and directly insulting attacks are presented by their proxies.

The strongest recent anti-Chinese statement came from S. A. Dange, leader of the Indian Communist Party, whose 32,000-word indictment appeared as a supplement to last week's issue of the party publication New Age. The Albanians took the spotlight in the attack on Moscow. A three-page Zeri I Popullit diatribe on 18 April was as abusive of Khrushchev as anything Tirana had previously published, and was followed up by an article equally inimical to Khrushchev, although ostensibly in commemoration of Lenin's birthday.

Current indications are that the issues of Albania and Yugoslavia--and their standing as legitimate "socialist" regimes

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The Communist World

--will be among the most difficult in Sino-Soviet bilateral negotiations. Moscow's alteration of its May Day slogan concerning Yugoslavia indicated that Khrushchev is determined not to give way on this issue. The original slogan, published on 8 April, did not mention the socialist character of the Yugoslav regime, whereas the correction, published on 11 April, greeted the Yugoslavs as building socialism, thus paying them the same honor as all the other Communist regimes.

The Chinese, however, continue to broadcast statements insisting on the necessity of uncompromising hostility to "Yugoslav revisionism." On 16 April, People's Daily carried extensive excerpts from a speech given by North Vietnamese First Secretary Le Duan on 13 March. The belated publication of this speech, which contained a sharp attack on the Yugoslav party, may have been prompted by the Soviet correction of the May Day slogan.

Khrushchev tried, in the 30 March letter to the Chinese, to minimize the problem by characterizing the issues as secondary ones. He has implied, in recent speeches as well as this letter, that acceptance by the Chinese camp of Yugoslav "socialism" would dispose Moscow to temper its campaign against Albania. The long Zeri I Popullit article of 18 April explicitly rejected any idea of linking the Yugoslav and Albanian questions, however.

Each side has demonstrated that on the other issues which divide them--peaceful coexistence, war, the national liberation movement, the Soviet role in the Cuban crisis, the Sino-Indian border difficulty--there has been no softening of its position. Each, in its Lenin birthday anniversary speeches and articles, has reiterated its own "correct" interpretations of the writings of Marx's prophet, Lenin. Communications from the two great Communist powers increasingly illustrate that the dialogue between them is a dialogue of the deaf.

One of the factors probably contributing to Chinese obduracy is the decline in Moscow's economic leverage against Peiping. Last year's trade between the two countries was no more than \$650 million --30 percent under the previous year's figures and almost 70 percent below the high mark of 1959. The trade agreement for 1963 that was finally signed in Moscow on 20 April after five months of negotiation probably did not provide for much further change in the trade level. The Sino-Soviet economic relationship now provides relatively little that Peiping cannot obtain elsewhere.

The agreement included a separate protocol on debt repayment which underscored Peiping's determination to clear its economic obligations to Moscow as quickly as possible. The Chinese, who in 1961 had to have an extension on their trade debt to the USSR, now have proposed to make an advance payment on their indebtedness.

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SELECTED SOVIET ECONOMIC DATA

PERCENTAGE INCREASES BASED ON OFFICIAL DATA

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	First quarter compared with preceeding first quarter		Annual	Plan
	1962	1963	1962	1963
	GROSS INDUSTRIAL OUTPUT *	9.0	8.2	9.5
INDUSTRIAL PRODUCTIVITY	5.0	5.4	6.0	5.6
CHEMICAL INDUSTRY *	15.0	17.0	15.0	17.0
PIG IRON	8.9	5.2	9.0	7.0
CRUDE STEEL	8.1	4.3	8.0	5.0
ELECTRICITY	13.1	17.0	13.0	11.0
GAS	30.9	19.0	24.0	17.0
PETROLEUM	11.7	11.2	12.0	10.0
CEMENT	12.6	11.1	13.0	10.7
FERTILIZER	8.1	15.0	13.0	16.2
AGRICULTURAL EQUIPMENT *	20.0	19.0	21.0	22.0
TRACTORS	0	21.3	9.0	13.0
REFRIGERATORS	23.2	12.8	22.0	8.0
WASHING MACHINES	43.2	29.2	40.0	24.0
COTTON FABRICS	0	1.0	1.0	2.0
MEAT (State slaughtered)	20.9	30.9	13.0	10.0

* Based on value of output; all others based on appropriate unit of production.

** Official Soviet plan not comparable with data on actual performance, and the latter for various statistical reasons is biased upward.

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USSR FIRST-QUARTER ECONOMIC RESULTS

Soviet industrial growth in the quarter just ended was the poorest of recent years, although output continued to expand at a rate only slightly below average; most major goals were fulfilled.

The slowdown can be attributed both to the exceptionally severe winter and to continuing problems associated with planning and resource allocation. In addition, the reorganizations of the past year probably caused disruptions.

Because of the characteristic brevity of first-quarter information--and particularly this year because of the weather--the Soviet report is not a good basis for analysis of resource shifts. As usual no figures were given for investment, consumption, trade, and housing.

Aside from these obvious limitations, the report strongly suggests that the economy continues to follow the lines affirmed by the central committee plenum last November: primacy for heavy industry, with emphasis on chemical output and away from ferrous metals and a promise of "proportional development of light and heavy industry"--which apparently means, in Communist jargon, limiting heavy industrial and defense development just enough to maintain minimum improvements in the standard of living.

A higher priority for the chemical industry was clearly seen in the report. Likewise, the reduced rates of increase in the 1963 plans for crude steel and pig iron were reflected in actual performance: output compared to the fourth quarter 1962 showed an almost unprecedented absolute decline.

Industrial support for farming appears also to have a higher priority. The production of agricultural equipment slackened, but less than machine building as a whole. The announced increase for tractors was the largest since 1954. Production of chemical fertilizer increased at a considerably higher rate than in the first quarter of last year but still not enough to meet the annual and seven-year plans.

The Soviet consumer is still low on Moscow's scale of priorities. Light industrial and food industry increases were both below last year's rates. Cotton and woolen textiles increased only marginally. Meat production increased by almost one third--possibly in response to the higher procurement prices introduced last year but also as a result of the lack of fodder this winter which resulted in distress slaughtering. Consumer durables continued to increase rapidly but at considerably lower rates than last year; as usual, production was woefully inadequate.

Moscow is apparently keenly aware of the difficult situation for the consumer which has developed over the past few years of poor harvests and meager investment. In response, however, the regime continues thus far to seek only resource-cheap methods of improvement and to encourage additional investment by local sources. Typical is the reported announcement on 20 April that the consumer goods plan had been revised upward by 1 billion rubles (nominally, \$1.1 billion). There apparently was no accompanying promise of supplementary national investment, and the items mentioned were generally peripheral to the pressing needs of the population.

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RUMANIAN POLICY DIFFERENCES WITH THE BLOC

Significant conflicts of interest between Rumania and the USSR have been underlined by reported disagreements over the role Rumania is to play in the economic development of the Communist bloc.

25X1 [redacted]
25X1 [redacted] Rumania was asked to accept a decision of the February 1963 CEMA Executive Committee that it must in effect abandon plans for most major new industries and concentrate on petroleum products, fertilizers, and agriculture. Rumanian representative Birladeanu is said to have refused.

His stand was officially endorsed at the 5-8 March plenum of the Rumanian party central committee convened solely to discuss CEMA matters. Following the plenum, a series of regional party meetings was held to endorse the regime stand, which is reported to have received widespread popular support. Under these circumstances the Rumanian regime will find it difficult to reverse its position, although it appears that Bucharest's political and ideological loyalty to Moscow has not altered.

Although CEMA has not expected Rumania to halt all plans for new industry, one major Rumanian grievance has been Soviet reluctance to help equip the mammoth Galati iron and steel combine. Soviet assistance, promised at the outset, has not materialized. This has led Rumania to purchase \$42 million worth of equipment for Galati from France and the UK and to seek in the West a basic oxygen converter plant for production of crude steel, also valued at \$42 million, as well as additional rolling-mill equipment.

Rumania's opposition to CEMA policies is the strongest and most open yet expressed by a satellite country, suggesting that vital Rumanian economic interests are involved. In the course of the party plenum, First Secretary Gheorghiu-Dej reportedly agreed to send a letter to Khrushchev threatening to withdraw Rumania from CEMA unless the proposed plans were altered. Recent Rumanian statements on CEMA have ignored proposals for a higher stage of economic cooperation voiced at the Moscow Economic Conference in June 1962 and have instead continued to emphasize "coordination" and national sovereignty. Rumania has reportedly opposed proposals to make decisions of the CEMA Executive Committee binding and create a unified planning organ proposed by Khrushchev.

Signs of disagreement between Rumania and the USSR on other matters have also begun to show. In late 1962 a Rumanian party journal openly attacked a Soviet historian for failing to mention the important part played by the Rumanian Communist Party in liberating Rumania from the Germans. A marked departure from normal procedures was noticed at the 1962 October Revolution celebrations in Bucharest, when only two members of the top leadership were present at the main celebration.

In a similar vein President Stoica rather than Gheorghiu-Dej led the Rumanian delegation to the East Germany party congress in January. He voiced only moderate support for the USSR, was less critical of the Chinese delegate's speech than Bulgaria's Zhivkov, and made no reference to Moscow's leading role in the Communist movement. Furthermore, Rumania is the only bloc country which has not restored party contacts with Yugoslavia.

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EAST GERMANY HAS NEW DIFFICULTIES IN FIRST QUARTER 1963

East Germany, in addition to its chronic economic difficulties, is facing a series of acute short-run problems resulting from the abnormally severe winter. Publicly, however, the regime is holding to its original goals, at least in the strategic sectors such as investments and exports, as a means of exerting maximum pressure on the workers. The heavy emphasis on labor productivity has led to the elimination of plan arrears in a few enterprises, and is expected to be the major factor in the drive to catch up.

Despite the hard winter, which has undoubtedly retarded economic growth, industrial output will continue to increase this year, and the prospects for fulfillment of some of the main economic goals do not appear hopeless. Through extraordinary efforts, the brown-coal mines overfulfilled their plan for the first quarter. However, output will have to be well above plan in order to meet export commitments and replenish reserves.

Output of electric power rose during the quarter, although not enough to meet the tremendously increased demands. Some industries--e.g., steel--are lagging behind plan but are expected to catch up this summer. However, where plans are fulfilled, there will probably be

increases in production costs and in prevailing worker dissatisfaction.

At the central committee plenum in mid-April, Erich Honecker, Ulbricht's heir apparent, reported that first-quarter gross industrial production plans were 95 percent fulfilled. His report indicates, however, in spite of his statements to the contrary, that some parts of the 1963 plan already have been scaled down. For example, backlogs in nonstrategic light and consumer-goods industries will be allowed to continue, and some new products planned for this year may not be introduced at all.

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decreed reportedly calls for reductions in future production of consumer goods and food supplies.

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One factor preventing any serious consideration of making up for all lost production is the transportation system. Priority given to transport of coal and food this winter has caused backlogs in rail transport. There have been some production slowdowns because needed raw materials did not reach the factories in sufficient quantities.

The regime is trying to squeeze higher levels of performance out of the Reichsbahn

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by reducing turnaround time, by increasing average loads per car, and by extending use of centralized loading and unloading points. Waterway and truck transport will be more intensively used. These measures will ease the situation somewhat, but any significant improvement is precluded by the lack of sufficient rolling stock.

Construction plans for the first quarter of 1963 were only 65 percent fulfilled, and shortfalls in investments were particularly large. Construction plans usually are unrealistic for the first quarter and are almost never fulfilled, but the lag is greater this year. Construction of the big industrial projects is plagued this year by damages resulting from frost, shortages of materials, lack of workers, and poor planning.

In agriculture, the situation appears equally gloomy. Honecker reported that the cattle slaughter plan for the first quarter had been fulfilled by 113 percent. However, beef and veal comprise only one third of total meat production in East Germany, and pork, which apparently is in shortest supply, makes up most of the remainder. Excess slaughter of cattle does

not make up for the sizable shortfall in pork.

Moreover, there has been a serious increase in animal losses, especially of pigs, caused by hoof-and-mouth disease, frost, insufficient fodder, and poor animal care on collective farms, thus making any significant improvement in livestock production this year appear doubtful.

The regime plans to import more meat this year than last and if domestic production should drop again this year, may have to increase imports even further in order to prevent any serious reduction in per capita consumption.

The burden of catching up will be on the worker in the form of longer workdays and increases in labor productivity. The chief means immediately available to increase production is to introduce planned step-ups in work norms ahead of schedule. Double and triple shifts, continuous operation of machinery seven days a week, and cancellation or postponement of vacations are other means. Wages are being held steady or in some cases being reduced. [REDACTED]

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DE-STALINIZATION IN CZECHOSLOVAKIA

In an important but belated de-Stalinization gesture in response to internal party pressures, hard-line Czech leader Novotny has reportedly engineered the resignation of his long-time associate Karol Bacilek. The 66-year-old Bacilek has been until now the highly unpopular first secretary of the Slovak party and a member of the presidium of the Czechoslovak party. He was minister for national security during the notorious purge in 1952 of former party general secretary Slansky and his followers for "national deviation" and is said also to have played a direct role in the purges of Slovak "nationalists" between 1949 and 1954.

No official announcement of the ouster has yet been made. Local party officials throughout the country reportedly were informed of the action during meetings from 10 to 12 April which discussed a recent party investigation of the so-called Slansky trials. The Slovak party, which has represented having a Czech as first



"Alas, some people still incorrectly understand the criticism of the personality cult...."
-Karol Bacilek, 14 January 1963

secretary, is likely to interpret the move as a concession from Prague and renew its efforts to obtain greater autonomy for Slovak affairs.

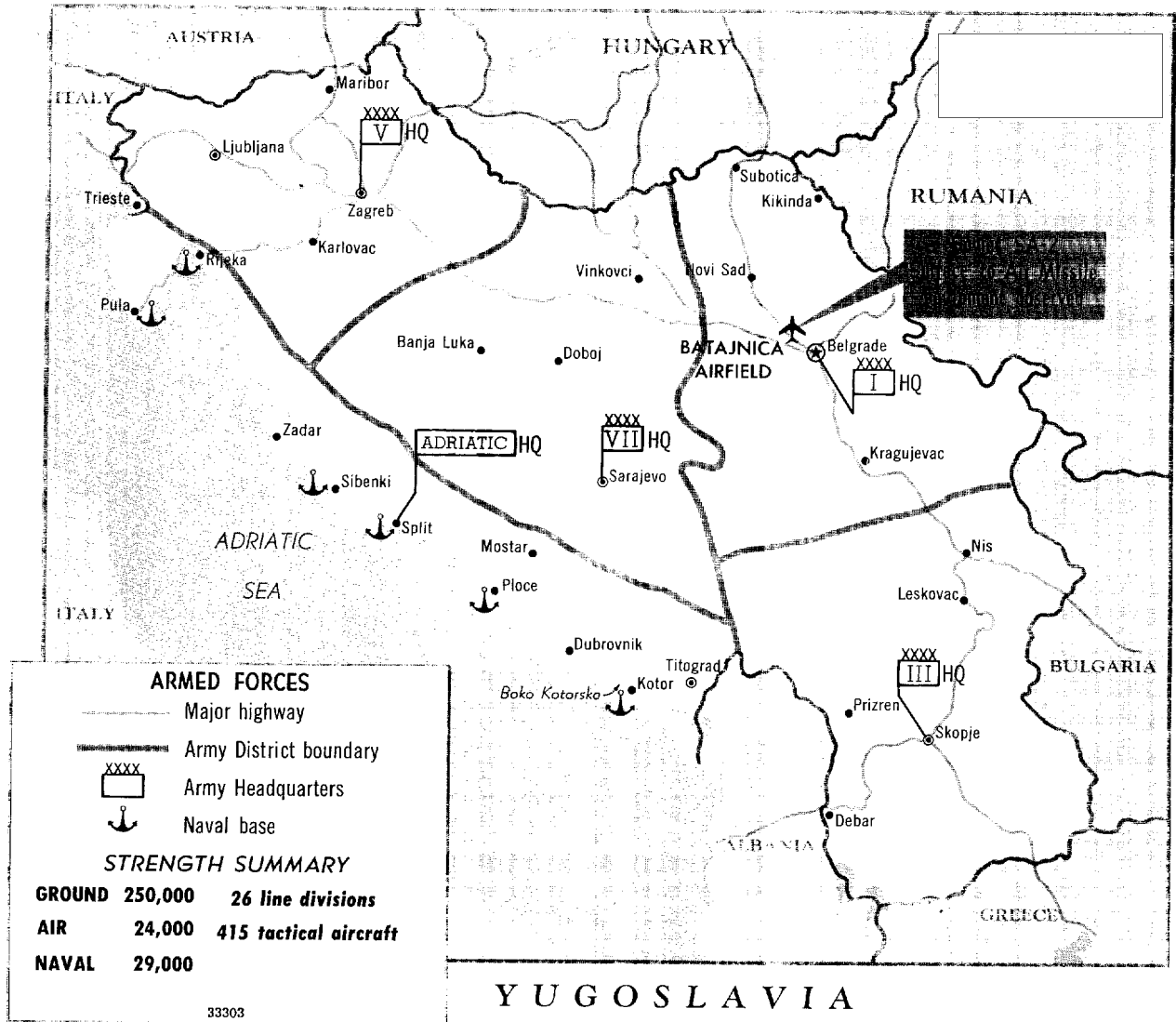
In view of the widespread dissatisfaction in Czechoslovakia, particularly among the intellectuals, the news of Bacilek's ouster is likely to arouse hope among the public, as well as demands within the party, for truly effective de-Stalinization. Indeed there has already been a rash of rumors that other top leaders are to be purged and numerous important victims of the trials fully rehabilitated.

Novotny, however, clearly has no such plan and would probably like to do no more than rehabilitate some minor victims of the Slansky trials--such as the Slovak poet Novomesky, who was readmitted to the Slovak Writers' Association on 22 April. Novotny probably hopes to play down the significance of Bacilek's ouster, thus minimizing public discussion of the roles played by himself and other top regime officials, notably Premier Viliam Siroky, during the 1949-54 purge period. The regime,

is already letting it be known that there were mitigating circumstances for Bacilek's "failure to control the excesses of his ministry" during the purges. 25X1

The absence of an official announcement of Bacilek's removal or the findings of the investigation may reflect opposition in the party to Novotny's intention to undertake only token de-Stalinization. Further delay, however, will only encourage speculation and expectations and, perhaps, create a situation which will put Novotny's power to a test. 25X1

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MODERNIZATION OF YUGOSLAV MILITARY ESTABLISHMENT

The appearance in Yugoslavia of Soviet-manufactured surface-to-air missile (SAM) equipment and MIG aircraft indicates that the Yugoslav-Soviet arms deal signed early last year or late in 1961 involved a sizable package of sophisticated weapons. This agreement apparently solved one important problem in bilateral trade--Yugoslav difficulty in finding desired commodities to import. The trade credits Yugoslavia had accumulated with the USSR probably have been used up by military purchases, and Moscow now may have extended a military aid credit to finance deliveries of additional equipment.

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[redacted]
SAM equipment for at least one six-launcher SA-2 site. Air defense missiles, MIG aircraft, and perhaps also recently acquired Soviet air defense radars (Big Bar, Spoon Rest, and Flat Face types) may be exhibited in Yugoslavia's May Day parade, as the newly acquired T-54 tanks and SU-100 assault guns were last year.

Delivery of this armament strongly suggests the existence of a general program designed to modernize the Yugoslav military establishment. Additional SAM units for an air defense system around Belgrade and other key areas will probably soon be delivered. Yugoslavia probably now has a number of MIG-19 fighters--possibly a

squadron of 12. In addition to these, MIG-21s complete with air-to-air missiles and ground control equipment are probably scheduled for delivery as part of the air defense package.

Although 40 percent of the Yugoslav budget goes to defense --one of the highest ratios in the world--the military establishment is not modern and its equipment is of mixed origin, principally US, German, and Soviet. The main function of the air force is tactical support of the relatively well-trained army, but its secondary role of air defense has been receiving increased emphasis during the past year. Of its approximately 400 tactical aircraft, some 350 are US F-84 and F-86 series fighters, of which some 100 are F-86Ds. The latter are gradually being integrated into operational units and will give the Yugoslav Air Force an all-weather capability.

Large numbers of Soviet technicians and instructors will be required in Yugoslavia to set up the air defense system, and Yugoslav officers have been training in the USSR. There are indications that the Yugoslav officer corps, which had bad experience with Soviet advisers prior to 1948, is unhappy over the prospect of a new influx and may even be attempting to limit the number of Soviets admitted to Yugoslavia.

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Asia-Africa

TENSIONS CONTINUE IN LAOS

Moscow's move on 23 April to block agreement with Britain on a joint appeal by the Geneva co-chairmen (the UK and the USSR) to the Laotian Government underscores the Soviet leaders' unwillingness to take any action on Laos which might complicate their problems in dealing with the Chinese Communists at this crucial stage in the Sino-Soviet conflict. Ambassador Kohler in Moscow has commented that the renewed fighting in Laos has confronted the Soviets with precisely the sort of decision they seek to avoid during this period of delicate discussions with Peiping.

Despite the uncooperative Soviet attitude toward British efforts to restore the situation and Soviet charges that the US is sabotaging the Geneva agreements of 1962, it is unlikely that the USSR has made a decision to instigate, or even acquiesce in, a resumption of the Laotian civil war or to seek to bring about the collapse of Premier Souvanna's coalition government. Aside from the dubious advantages from Moscow's viewpoint of such an abrupt reversal of Soviet policy in Laos, it remains uncertain how much direct influence or control the USSR can exercise over the Pathet Lao forces.

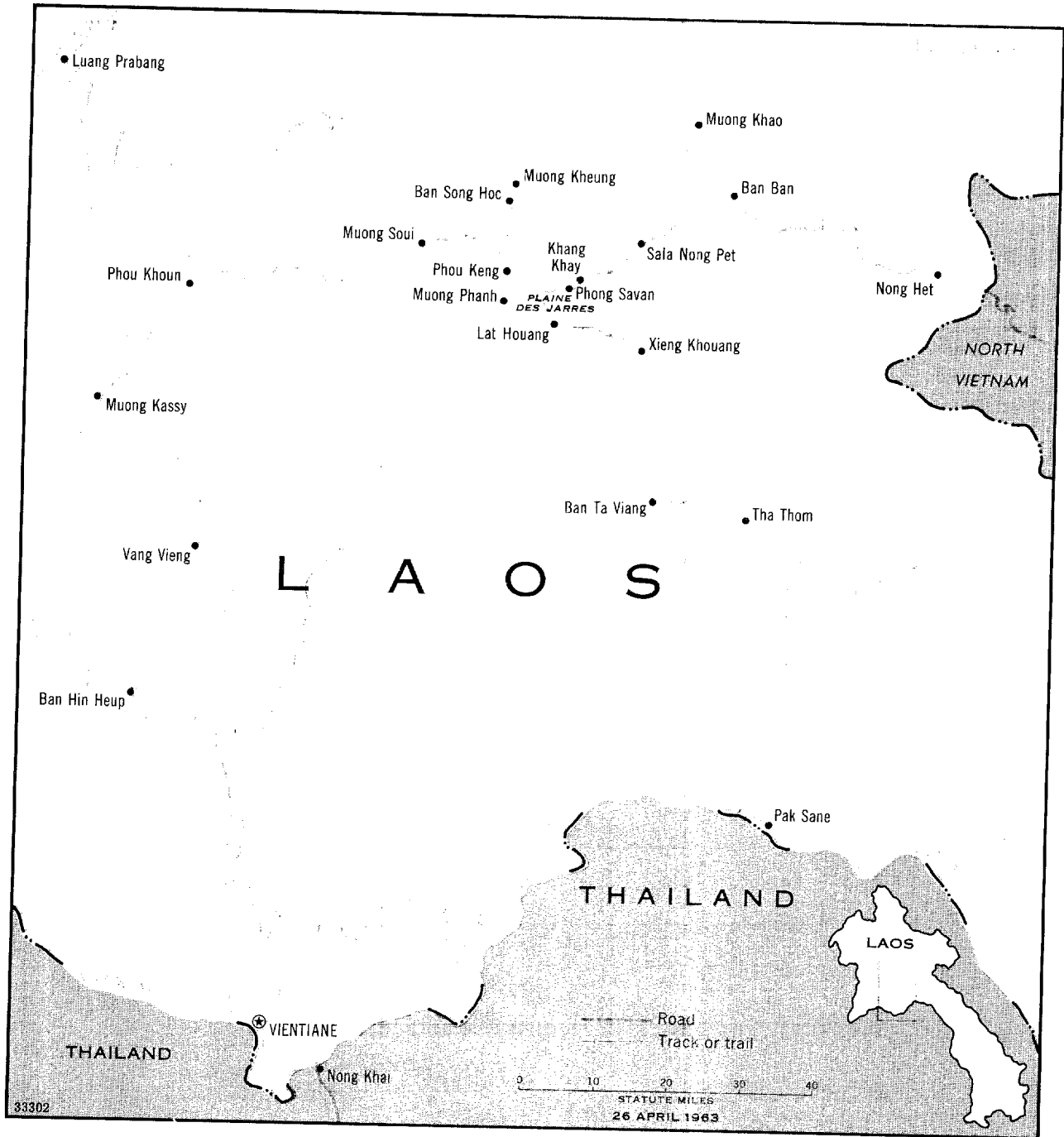
There have been several indications since the Geneva settlement last summer of

divergencies between the Pathet Lao and their bloc mentors on tactics toward Kong Le's neutralists. The US Embassy in Moscow suggests that the Soviet Union finds itself more an embarrassed victim of Pathet Lao tactics than a confident molder of history in Laos and that it has been forced into a position of covering up for Pathet Lao policy which Moscow does not fully approve.

During the first half of April, Moscow maintained a relatively cautious attitude and, in contrast to Peiping and Hanoi, devoted little propaganda attention to Laos developments. The Soviet leaders also temporized and sought to evade British proposals for joint action by the co-chairmen. Foreign Minister Gromyko, however, stressed to the British ambassador in Moscow the importance of cooperation between the co-chairmen, and the Soviet ambassador in Laos tried to appear cooperative with the British ambassador there and with the International Control Commission (ICC).

The USSR's attitude began to stiffen in mid-April, however, after Hanoi and Peiping issued official statements on 15 and 16 April charging the US with sabotaging the Geneva agreements and protesting US "intervention" in Laos. These formal charges by China and North Vietnam

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increased the difficulty and dangers of Moscow's moderate course. To avoid being isolated, the USSR promptly adopted these charges against the US and shifted to a more obstructive line with the British.

On 20 April, Gromyko handed to Britain's Moscow ambassador a draft message from the co-chairmen to the Vientiane government and the three Laotian factions appealing for a peaceful settlement in accordance with the Geneva agreements. The USSR made certain, however, that Britain would reject this draft by including a paragraph which repeated some of Peiping's charges against the US. After Gromyko rejected Britain's request that this paragraph be deleted, Moscow published the draft message on 23 April, thus bringing to an end at least this phase of the Western effort to enlist Soviet support for measures to restore the Laotian situation.

Meanwhile, the military situation in the Plaine des Jarres appears to have stabilized for the time being following Prince Souphannouvong's agreement on 21 April temporarily to halt Pathet Lao offensive actions.

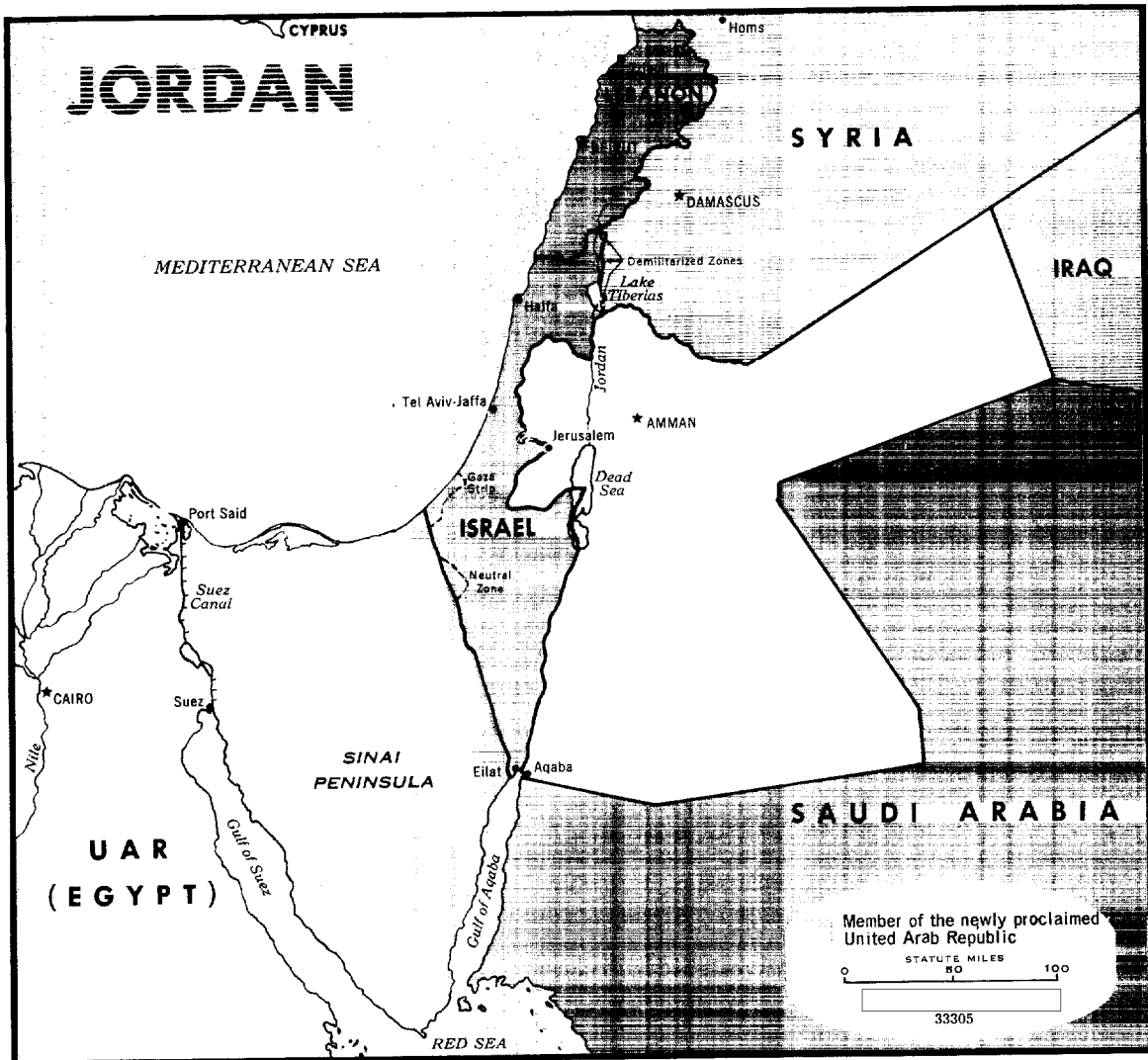
Neutralist commander Kong Le has established a north-south defense line to the west of his previous headquarters at the Plaine des Jarres airfield, which apparently remains abandoned.

It is uncertain, however, whether either he or the Pathet Lao intends to adhere to the truce for long. Both sides are still maneuvering to improve their positions, and sporadic exchanges of artillery and mortar fire continue. Souphannouvong has refused to accept the stationing of an ICC team anywhere in Pathet Lao territory, and has also scuttled a tentative arrangement for ICC presence at Kong Le's new headquarters at Muong Phanh. As an interim measure, the ICC is resorting to daily flights to Muong Phanh.

For his part, Kong Le has refused to accede to Pathet Lao demands for the withdrawal of rightist military elements supporting him in the Plaine des Jarres area. General Phoumi has already covertly airdropped two battalions to reinforce the neutralists at Muong Phanh, and is prepared for open intervention should the situation deteriorate.

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Asia-Africa

ARAB FEDERATION ROCKS JORDAN

Jordan is experiencing its worst crisis in years in the wake of the agreement by Egypt, Iraq, and Syria to federate. Although King Husayn probably will be able to ride out the present storm, the threat of his assassination seems to have increased.

Demonstrations extolling Nasir and Arab unity became riotous in Jerusalem and other towns in West Jordan on 20 April and were suppressed only by army intervention. Prime Minister Samir Rifai's 24-day-old government fell the same day on its first vote of confidence. The debate preceding the vote featured charges that Rifai's steps to arrange a rapprochement with the new federation were insufficient. Husayn promptly dissolved the chamber, and installed a caretaker government under his uncle, Sharif Husayn ibn-Nasir, with instructions to prepare for new elections in four months.

In fact, Husayn is exercising virtually direct control. The government has arrested nine deputies and some leaders of the outlawed Arab Nationalist Movement who are accused of having significant roles in fomenting the disturbances. Undeclared martial law has not prevented further demonstrations from breaking out in Amman and other towns on the East Bank, as well as in West Jordan.

These events are indicative of the sharp resurgence in yearning for Arab unity that has been stimulated among Jordanians by the Cairo negotiations. This popular mood promises

to exert continuing pressure on the Jordanian regime. In addition, there has been a broadening of the gulf between the predominantly East Jordanian supporters of the King and his numerous Palestinian opponents from the West Bank, who have long resented their subserviences to the monarchy.

Externally, Husayn's regime is more isolated than ever from the revolutionary nationalists of Egypt, Syria, and Iraq. Cairo propaganda has stepped up its campaign against Husayn--its clandestine radio calling Rifai's fall "preparatory to Husayn's overthrow." It has called on Jordanians to destroy the monarchy so that Jordan can become the "fourth region" in the new federation, and addressed a special appeal to the army to join the "revolutionary caravan." With only slightly more restraint, Cairo's overt broadcasts speak of the inevitable establishment of "the people's rule."

Cairo also charges that "Husayn seeks the protection of Israel." The Israeli radio tends to support this by repeating Ben-Gurion's warning of last fall that Egyptian control of Jordan would constitute a serious threat to which Israel could not remain indifferent. Egypt's clandestine radio, in response, has urged Jordanians not to be deterred by the Israeli threat, for "we Arabs are capable of crushing Israel within a few hours if it should attempt a new adventure." Baghdad radio has used the same themes.

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Asia-Africa

YEMENI DISENGAGEMENT PLAN APPROVED

Saudi Arabia, Egypt, and Yemen have all orally notified Secretary General Thant of their agreement to his plan for disengagement of foreign forces involved in the dwindling Yemeni fighting.

Egypt apparently is preparing for an initial troop withdrawal. A Cairo paper has reported that the first group of returning Egyptian troops will arrive on 26 April aboard the ships Misr and Sudan.

The way now is paved for the dispatch of a UN intermediary to supervise the disengagement process.

President Sallal, meanwhile, is encountering increasingly heavy criticism from both military and tribal elements who claim that his rule is dictatorial.

[Redacted]

[Redacted]

The USSR is apparently stepping up its assistance to Yemen. The Soviet ship Gruziya, which arrived in Hudaydah on 18 April, reportedly landed a large number of Soviet technicians; [Redacted]

April. The group probably includes technicians who will assist in the repair and modernization of Yemen's airfields, and specialists expected in connection with other Soviet aid projects, such as housing and agricultural development. [Redacted]

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Asia-Africa

BEN BELLA CONSOLIDATES POWER IN ALGERIA

Premier Ahmed Ben Bella has taken several steps to tighten his control of Algeria, but he remains beset with grave administrative problems.

On 18 April he forced his principal rival, Mohamed Khider, to resign as secretary general of the political bureau of the National Liberation Front (FLN), the country's only legal political organization. Ben Bella considers the party to be a nucleus of loyal militants advising the government, whereas Khider has viewed it as an initiator of policy, with the government as its executive organ. When Khider sought to convoke an FLN congress to review the draft constitution prior to its consideration by the Constituent Assembly, he provoked a crisis. Two of the other three bureau members backed Ben Bella, who himself assumed Khider's former post.

Ben Bella seeks to establish control over the disorganized and somewhat ineffectual party as he already has imposed his influence over the labor and students' organizations. Army support seems assured, thanks largely to Ben Bella's close relationship with his defense minister and army chief of staff, Col. Houari Boumedienne.

Khider remains a member of the five-man political bureau, where he can continue to exert

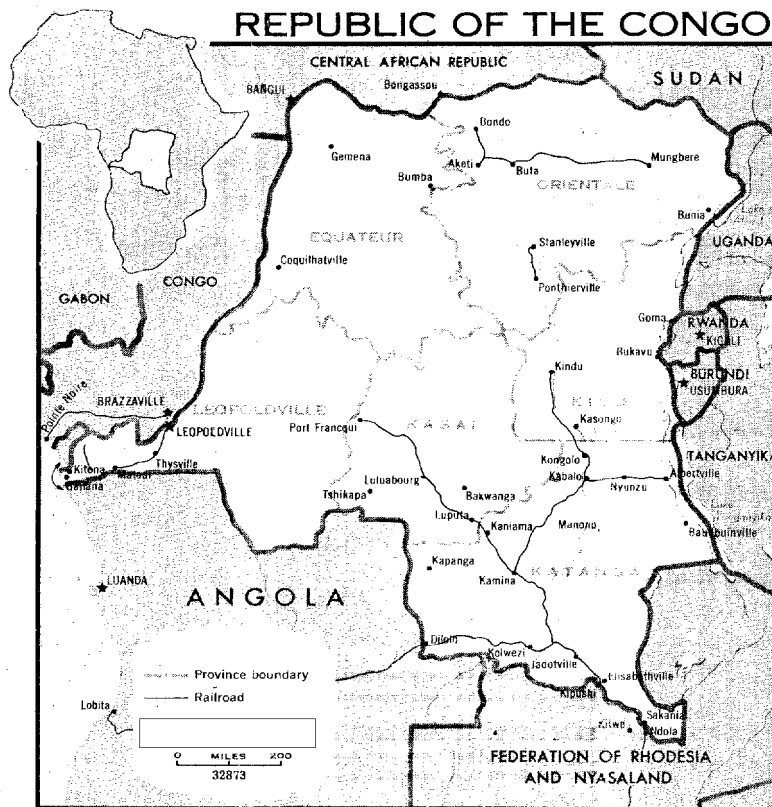
pressure for closer ties with the Middle Eastern Arabs and a return to Islamic traditionalism. Moreover, he probably has not abandoned his desire for supreme political power and may try to merge the country's disaffected elements to attack Ben Bella's domestic and foreign policies.

For the moment, Ben Bella's control has been further strengthened by the resignation of two of Khider's followers, the ministers of information and of posts and telecommunications. The premier merged the two portfolios and placed them under an able and energetic protégé of Boumedienne.

Nevertheless, the government is composed largely of third-raters, and its administrative difficulties have been compounded by the removal of Foreign Minister Mohamed Khemisti--critically wounded in an 11 April assassination attempt. Despite Ben Bella's recent successes, he probably lacks the intellect and ability to run the country effectively. The popular acclaim he has won on recent visits throughout Algeria has contributed to a strong Messianic drive. As his frustrations increase, he may more frequently act impulsively, as in recent nationalization moves and his invitation to Castro to visit Algiers.

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Asia-Africa

ADOULA STILL AT ODDS WITH CONGO PARLIAMENT

Premier Adoula's recent cabinet reshuffle has not eased his problems with the rambunctious Congo Parliament.

Irrespective of membership in the new government, the deputies are bitterly protesting Adoula's plan to recess Parliament. On 17 April the lower house moved, with only three dissenting votes, to amend the constitution to provide that Parliament could not be recessed without the consent of both chambers. Adoula won a subsequent motion of no confidence in the senate over this issue, but it remains a live one.

Adoula has told US Embassy officials that even if both chambers passed the amendment, President Kasavubu would not promulgate it as a law. Adoula may, however, find himself in a situation where he is faced with giving in, or backing up his refusal with force. In any event, new attempts to block him on this and other issues seem likely.

One such issue--the dispute over the long-contemplated retraining program for the Congo Army--is intensifying. Adoula's plans include heavy representation by NATO among the training countries--Belgium, Norway, and Italy--and participation by Israel. The Lumumbist youth group has protested training "by NATO" and called on Parliament to stop the plan.

The program also continues to encounter heavy opposition from the African, Asian, and Arab members of the UN's Congo Advisory Committee in New York, despite the Congo Government's pleas that it has the sovereign right to choose whom it wishes to retrain the army.

In the meantime, U Thant and the UN field commanders have agreed to reduce UN forces in the Congo to a maximum of 7,500 men by the end of June. Six of the eight planned combat battalions are to be stationed in Katanga. The other two would be based in Leopoldville and in either Luluabourg or Albertville, leaving most of the turbulent eastern Congo to the notoriously indisciplined Congo Army.

The US consul in Elisabethville notes that while Tshombé continues to be personally popular, changes are being instituted in Katanga which are weakening his political power. A younger group of Katangan leaders--less responsive to Tshombé's control--is emerging and gradually assuming more authority. The consul feels also that the Katangan members of the national Parliament and ministers in the central government are now less responsive to Tshombé than previously.

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Europe

FRANCE RESERVES DECISION ON INTERALLIED NUCLEAR FORCE

De Gaulle used a nationwide radio-TV speech on 19 April and a subsequent tour of northeastern France to re-emphasize the need for an independent French nuclear force. He probably intended to remove any doubts that French resolve is weakening, although he admitted that the cost of the national force would be high. He indicated that the government may ask Parliament, when its spring session opens on 30 April, for a supplementary budget appropriation.

De Gaulle again called the Atlantic alliance "indispensable" and said French defense would be "linked" with that of its allies. However, he avoided specific mention of the Interallied Nuclear Force (IANF) or other NATO nuclear force proposals.

French officials generally remain skeptical of the military worth of the IANF and view it primarily as a political device to head off the development of national nuclear forces. Because of the IANF's political overtones, Paris apparently will reserve a final decision on whether to participate with its own NATO-assigned units, or attempt to delay the creation of the IANF.

Francois de Rose, civilian deputy to the chief of staff of national defense and the man assigned by Foreign Minister

Couve de Murville to study the effect of the IANF, has told the US Embassy in Paris that his report concludes there is nothing in the substance of the IANF proposals France cannot fully support. He emphasized, however, that he did not know what De Gaulle's reaction to his report would be.

De Rose, Francois Seydoux, France's NATO permanent representative, and Etienne Burin des Roziers, De Gaulle's top personal aide, have all warned, however, that France's attitude toward the IANF will be governed by the way in which it is presented. De Rose said it was extremely important to avoid any action which might impress De Gaulle as instituting a radical or new procedure requiring action by Paris. He was particularly concerned that the British would try to blow up the IANF into something it is not.

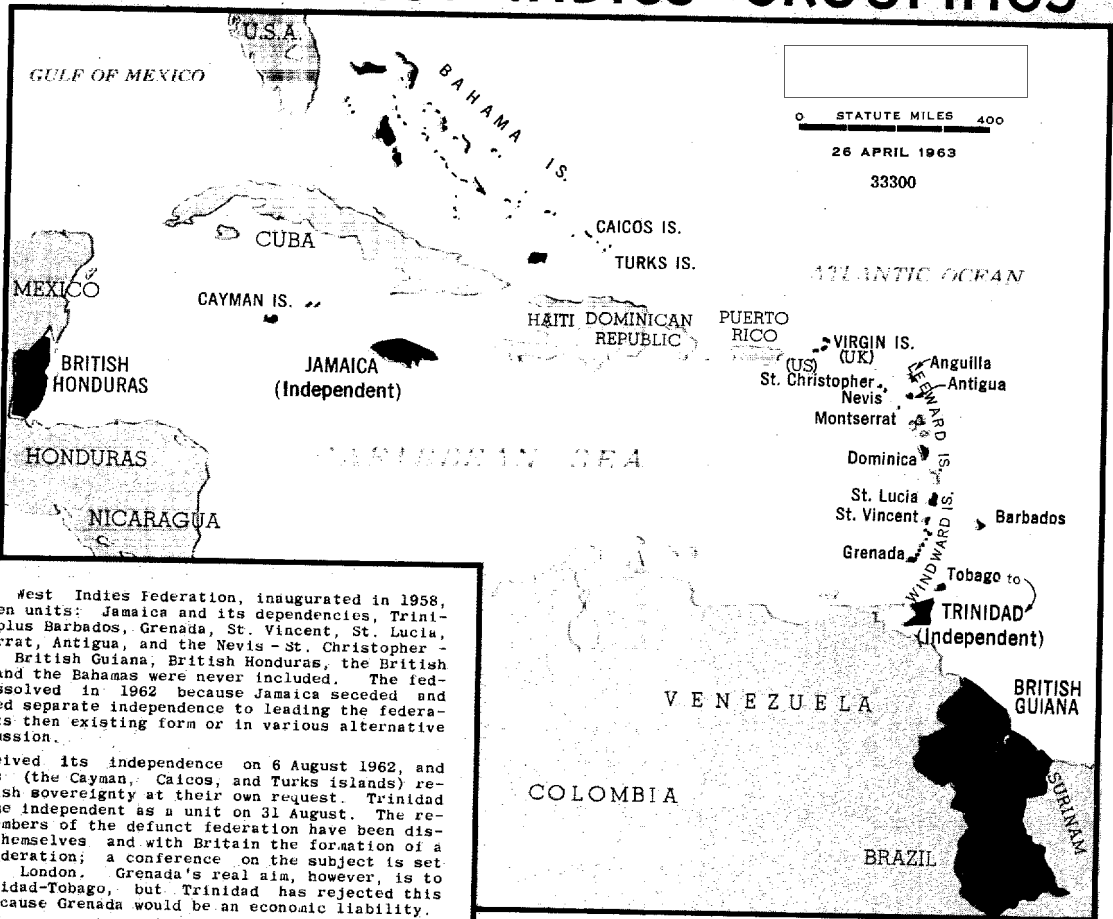
In the same vein, Burin des Roziers reportedly told the British ambassador in Paris that France would probably not try to block the IANF so long as it is presented as a routine NATO development, but that the French NATO delegate would probably veto the proposal if it were treated as something new and important. The French position will probably not be decided until shortly before the Ottawa foreign ministers' meetings on 22 May.

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BRITISH WEST INDIES GROUPINGS



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The British West Indies Federation, inaugurated in 1958, consisted of ten units: Jamaica and its dependencies, Trinidad and Tobago, plus Barbados, Grenada, St. Vincent, St. Lucia, Dominica, Montserrat, Antigua, and the Nevis - St. Christopher - Anguilla group. British Guiana, British Honduras, the British Virgin Islands, and the Bahamas were never included. The federation was dissolved in 1962 because Jamaica seceded and Trinidad preferred separate independence to leading the federation in either its then existing form or in various alternative forms under discussion.

Jamaica received its independence on 6 August 1962, and its dependencies (the Cayman, Caicos, and Turks islands) reverted to British sovereignty at their own request. Trinidad and Tobago became independent as a unit on 31 August. The remaining eight members of the defunct federation have been discussing among themselves and with Britain the formation of a "Little Eight" federation; a conference on the subject is set for 26 June in London. Grenada's real aim, however, is to unite with Trinidad-Tobago, but Trinidad has rejected this idea primarily because Grenada would be an economic liability.

British officials believe that Grenada's reluctance to participate in the larger grouping will continue nevertheless, and that the London conference will result in creation of a self-governing "Little Seven" without full independence for some time.

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Western Hemisphere

TRINIDAD PREMIER PROMOTING CARIBBEAN UNITY

Trinidad's Prime Minister Eric Williams appears to be making some headway in efforts to develop a Caribbean economic and political bloc. His political position at home is strong, and he has long been ambitious to extend his influence throughout the region. Williams has frequently displayed emotional instability as well as an anti-US bias; the other side of his complex character, however, shows a man of high intellect possessing strong anti-Communist convictions.

Since the collapse of the West Indies Federation in 1962, relations among Jamaica, Trinidad, and British Windward and Leeward Islands have been distant. Williams subsequently undertook a series of moves calculated to tighten inter-Caribbean relations.

First he established closer ties with Dutch Surinam. On a visit to Jamaica in mid-February on other matters, Williams negotiated an agreement for the exchange of high commissioners and the establishment of working parties to discuss matters of mutual interest. Williams also visited British Guiana and persuaded Prime Minister Jagan to retain an interest in the continuation of a regional university. Williams' efforts were assisted by his acceptance of a new rice trade agreement on Guianese terms.

After talks with leaders of Barbados and Antigua, Williams

announced on 3 April that a meeting of the heads of governments in the West Indies area should be held, possibly in June. He proposed an extensive agenda covering a wide variety of economic, political, and cultural matters of common concern. The main purpose of the meeting, however, is apparently to formulate a joint approach to the US for economic aid. On 23 April Williams claimed publicly that the leaders of Jamaica, Barbados, and even British Guiana were cooperating in his plan for closer Caribbean ties.

[redacted] Williams is generally respected in the Caribbean area for his academic and political attainments. He apparently has elicited not only considerable sympathy for his ideas but a measure of acquiescence in his leadership as well. There is some disagreement, however, about the desirability of closer cooperation with Communist-oriented British Guiana. Williams' role is particularly significant at a time when Jamaica--the other state most capable of area leadership--seems uninterested in taking up the challenge.

In Jamaica, Williams' critical attitude toward the US may have struck a responsive chord among certain ministers who feel the US is indifferent to Jamaica's aid needs, and might undermine in the long run Prime Minister Bustamante's strong support of the US. [redacted]

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Western Hemisphere

ARGENTINE REGIME REAFFIRMS ELECTION PLANS

The Argentine Government, still determined to hold general elections, is maintaining strong security measures to discourage any efforts to interfere.

The present schedule calls for the political parties to submit their lists of candidates by 6 May, for general elections on 23 June, and for turning over power to the new government on 12 October. A maximum delay of two weeks in both the 6 May deadline and the 23 June election date may be granted, however, since the political parties continue to drag their feet on choosing candidates.

So far, only the People's Radicals (UCRP) and the Christian Democrats--probably the third and fifth largest political groups--have formally named presidential candidates. Some other non-Peronist groups are just beginning discussions on the possibility of cooperating to nominate a single candidate, but individual party candidacies seem more likely.

Negotiations for a national front, including the Peronists' Popular Union (UP) party, are no nearer to completion than they were before the 2-6 April rebellion aimed at preventing the elections. Since then the UP's plans have become even more uncertain. It now is protesting the government's efforts to persuade the UP not to present candidates for the presidency or some governorships. Army sources have indicated to the US army attaché that they are losing their former confidence that they can achieve

their objective of a freely elected government not dominated by the Peronists.

The armed forces' investigation of those involved in the rebellion is proceeding at a measured pace. All but three navy flag officers have been cashiered or jailed, and disciplinary action has been taken against 15 to 20 air force officers. At least 300 junior officers from the three services are under arrest or investigation. Almost 70 officers fled into exile following the revolt, but some of these have returned voluntarily.

Between 1,000 and 2,500 armed civilians are estimated to have participated in the rebellion in Cordoba. Most of these have escaped arrest, and this element is a source of considerable concern to government officials, who fear further deterioration of the political situation might prompt a renewal of their antigovernment activities.

The government, meanwhile, has responded to complaints of official corruption and Communist infiltration by ordering the arrest of a number of former officials and leftists connected with Rogelio Frigerio, adviser to ex-President Frondizi.

[Redacted]

These arrests could prove to be another unsettling factor in the political situation.

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Western Hemisphere

ECONOMIC AND POLITICAL UNCERTAINTY IN COLOMBIA

Colombian President Valencia's failure to come to grips with an unhealthy financial situation is causing his regime to lose public confidence. Lacking strong direction, the National Front coalition government is encountering difficulties in promoting the stabilization and development programs to which it is committed under the Alliance for Progress.

Symptomatic of Valencia's inaction have been the uncoordinated and often conflicting efforts of his cabinet ministers. Labor Minister Betancur's successful drive for excessive wage increases, for example, not only accelerated inflation but severely damaged Finance Minister Sanz' austerity program. The loss of momentum in the administration's campaign for new revenue legislation--to finance a ten-year-development program--is another sign of executive lethargy.

Internal tensions in the Liberal Party--partner with Valencia's Conservatives in the

National Front coalition--are adding to the atmosphere of uncertainty. The recent resignation of Carlos Lleras as party chief and the rise of a new left-wing Liberal faction--the Gaitanista Movement--promise to introduce a new element of friction between Liberals and Conservatives.

However, the appointment this week of several new cabinet ministers who served under former Liberal President Alberto Lleras may ease interparty differences. In any event, the Liberal and Conservative leaders probably see no feasible alternative to the National Front and are likely to keep the coalition intact.

Developing, nonetheless, is an uneasy feeling that an extension of the present trend could lead eventually to a military coup. For the present, however, there is no evidence that the military are considering such a move.



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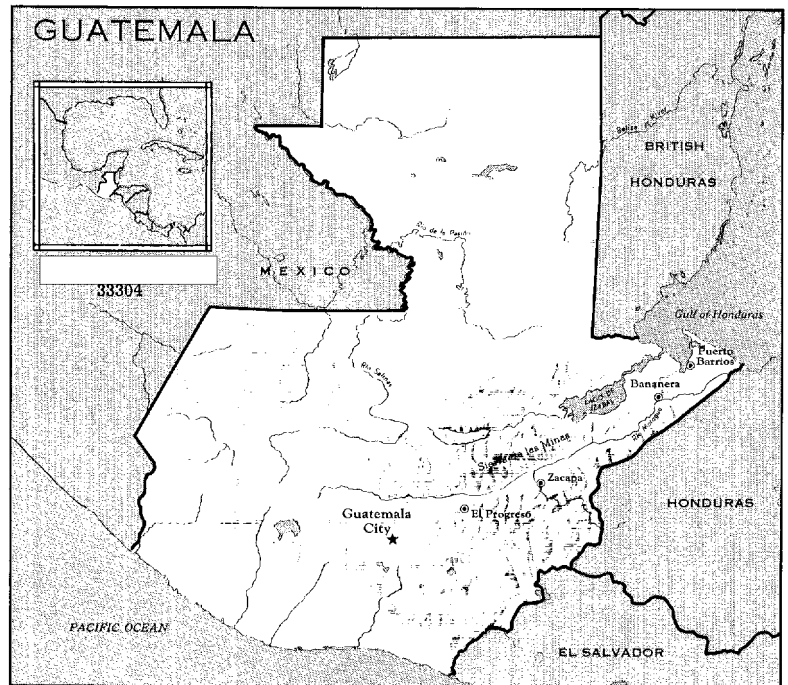
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Western Hemisphere 25X1

INSURGENCY IN GUATEMALA

The counterguerrilla activity mounted in eastern Guatemala last week by the new military government appears to be primarily an attempt to tighten general security in that area. Small rebel groups have operated sporadically in the mountains there for over two years and are a potential rallying point for various dissatisfied groups.

Although at least one of the rebel groups, led by ex-lieutenant Yon Sosa, is known to have received Cuban financial support last year, there is no proof at present that the current guerrilla activity is either a major outbreak or a coordinated Communist-led effort. Guatemalan Communist Party leaders, nonetheless, are reliably reported to have decided recently to employ armed struggle to resist the Peralta regime's stiff antisubversive decrees. They are said to look upon the recent skirmishing in the Zacapa-Izabal area as a prelude to a "declaration of war" by the guerrillas. The party, however, is disorganized and the guerrilla groups which the Communists claim to have joined probably are not



yet prepared for sustained opera- 25X1
tions.

Guatemalan Army
unit's discovery of guerrillas
on a training exercise may have
precipitated the fighting that
began on 18 April. Government
forces, supported by tanks and
planes, claim to have routed
the rebels, but this is prob-
ably an exaggeration. 25X1

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