

24 May 1963

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WEEKLY SUMMARY

OFFICE OF CURRENT INTELLIGENCE

ARMY Reviews
Completed

State Dept. review completed.

CENTRAL INTELLIGENCE AGENCY

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C O N T E N T S

(Information as of 1200 EDT, 23 May 1963)

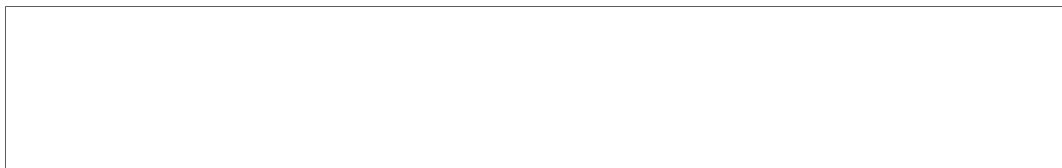
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THE COMMUNIST WORLD

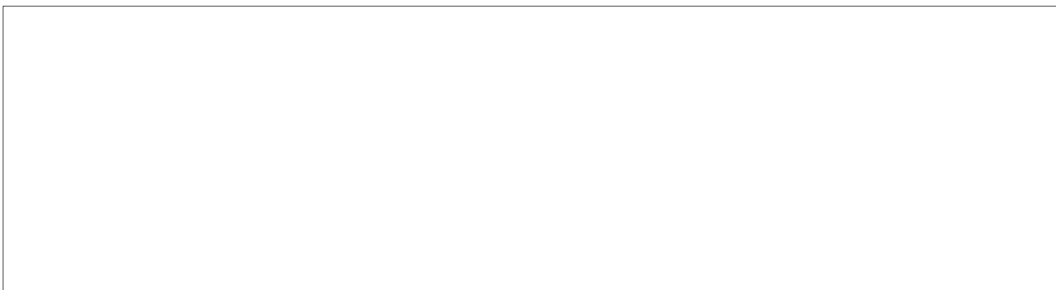
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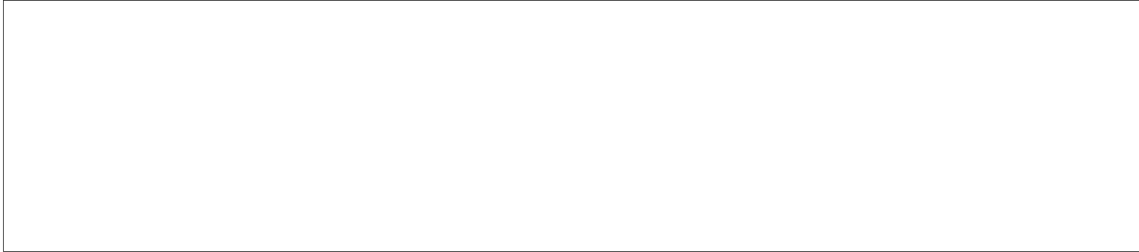
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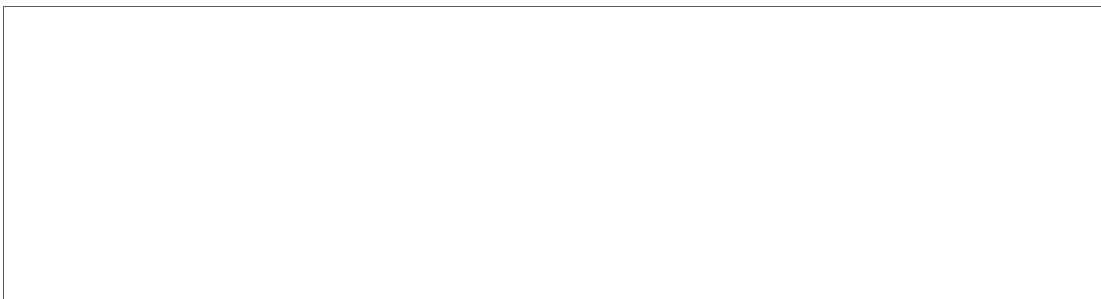
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EUROPE



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The union has adopted an "action program" based on its own analysis of the French political scene independent of the French Communist Party proper.

MEETING OF SPANISH AND PORTUGUESE DICTATORS 16
Their mid-May meeting reportedly covered a variety of subjects, but both governments are thought to be increasingly concerned about divergencies in their policies toward their African dependencies.



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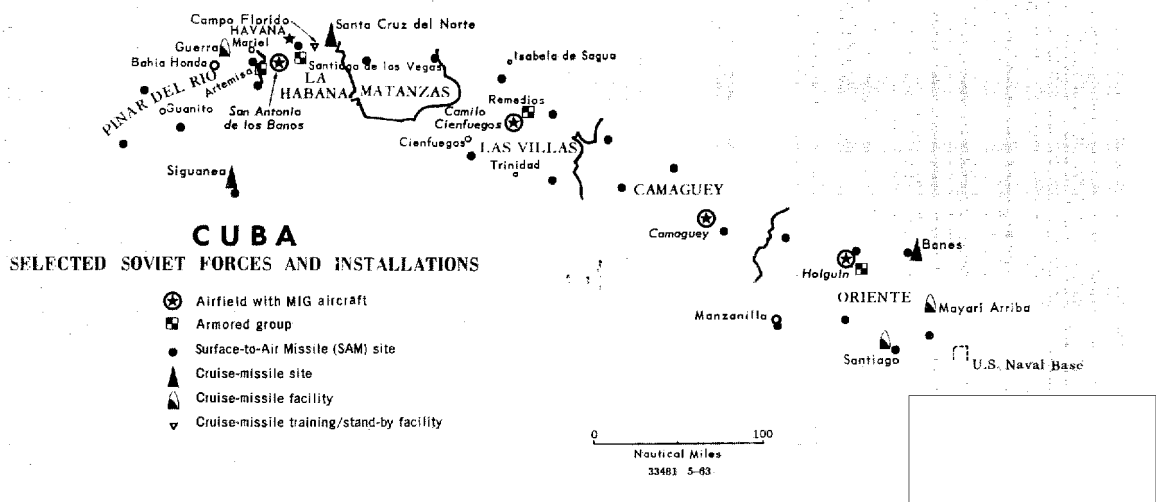
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Cuba

FIDEL CASTRO'S TRAVELS

Fidel Castro's visit to the USSR, which has lasted almost four weeks, appears to be nearly over. He returned once again to Moscow on 21 May after a one-day visit to Kiev, and the mass rally and receptions on 23 May probably mark the end of his stay. Cuban press reports indicate he will spend a few days "resting" in the Crimea after his official sendoff in Moscow.

As for his promised visit to Algeria, the government there had announced on 16 May that Castro would arrive late this month or in early June. Press reports of 22 May allege, how-

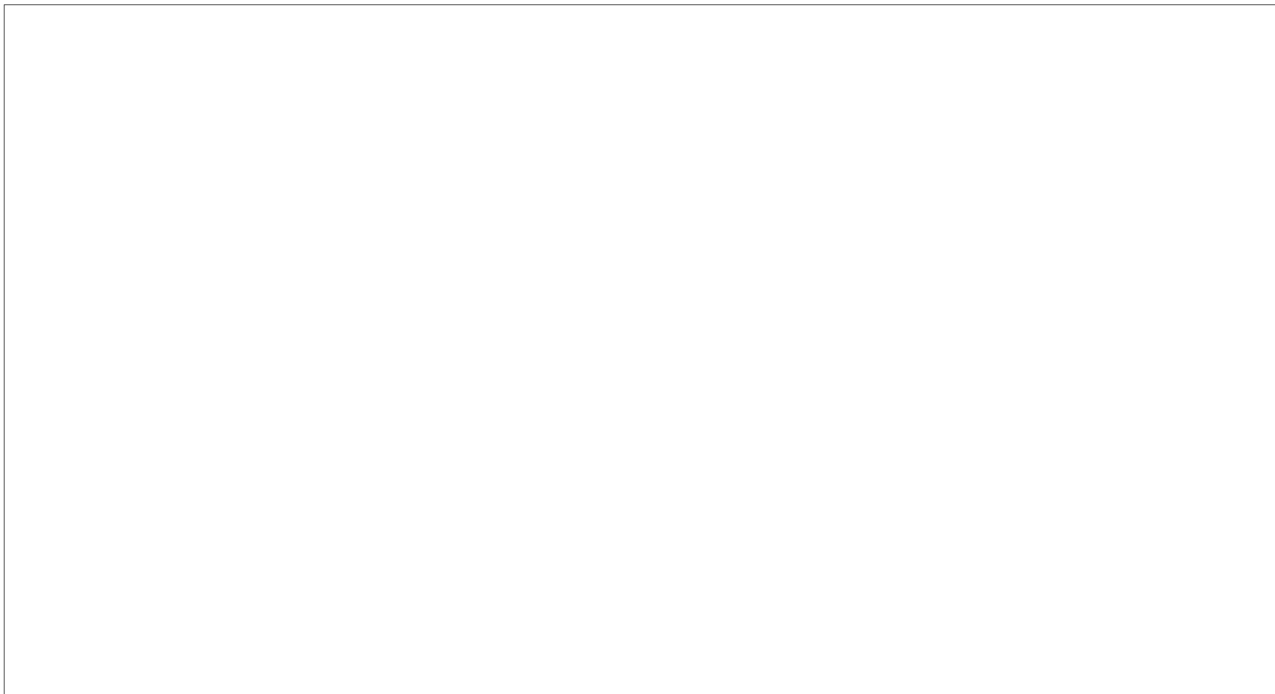
ever, that Castro had sent an emissary to Ethiopia to inform Algerian Premier Ben Bella--in Addis Ababa for the African "summit" meetings--that he would postpone his visit because of "tiredness and other commitments." Castro nevertheless may still go to Algeria before returning to Cuba.

Swiss officials told the US ambassador on 21 May that they still consider it possible Castro will visit Switzerland. They state, however, that any such visit will be treated strictly as a "private affair."

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The Communist World

MOSCOW AND THE OTTAWA NATO MEETING

The USSR is maneuvering for a stronger position from which to attack the announcement regarding an Interallied Nuclear Force expected from the NATO ministerial conference in Ottawa. A Soviet proposal delivered on 20 May to the US, Britain, France, and 13 countries bordering the Mediterranean called for a ban on nuclear and missile weapons in the "entire Mediterranean sea region." This scheme is directed specifically against the three US Polaris submarines which are being assigned to NATO.

In presenting the scheme to Undersecretary Ball, Ambassador Dobrynin stressed it would prohibit seaborne as opposed to land-based missiles. He explained that it would include seaports as bases for nuclear-armed vessels but not land-based nuclear weapons as such.

Moscow clearly hopes this new proposal will draw favorable reactions from non-NATO Mediterranean countries. The Soviet notes warned that the presence of Polaris submarines in the Mediterranean would expose these countries to "devastating military action" and called for a joint Soviet-Western guarantee that the Mediterranean area will be regarded, in case of "military complications," as outside the "sphere of the application of nuclear arms."

Soviet propaganda suggests that Moscow's main charge regarding decisions at Ottawa will be that any form of NATO nuclear force is merely a device for giving West Germany access to

nuclear weapons. The USSR is seeking to establish the impression that it will respond to implementation of such a force with vigorous countermeasures.

A 9 May Pravda article by Marshal Malinovsky renewed warnings contained in Soviet notes of 5 February to Bonn and Paris: that the USSR would regard West German access to nuclear weapons, regardless of the form, as a "direct threat to its vital interests and will be forced to do everything necessary to ensure its security and that of its allies." Malinovsky recalled Moscow's notes of 8 April to the Western powers which stated that implementation of a NATO nuclear force "would rule out disarmament talks for at least ten years." The Polish delegate to the Geneva conference recently conveyed similar warnings to US officials.

The USSR dispatched new notes to Bonn and Paris on 17 May criticizing their replies to its notes of 5 February, which had protested the French - West German treaty signed in January. The new notes charged that after West German forces join the NATO nuclear force, Bonn's "next step" will be to press for an independent nuclear capability. Moscow warned Paris that its policy of an independent nuclear force is "showing West Germany the short cut to nuclear weapons."

Soviet propaganda and Khrushchev's recent interview with the Swedish foreign minister suggest that Moscow may also revive earlier proposals for a nuclear-free zone in Scandinavia and for a "Baltic Sea of Peace."

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The Communist World

PROLONGED DRIFT COMPLICATES POLISH PARTY PROBLEMS

Indecision and uncertainty at top levels of the Polish regime have lowered party leader Gomulka's prestige in the party and among the general public. Factional squabbling and

[redacted] inadequate guidance from Moscow have apparently brought about a paralysis at top party levels, which in turn has resulted in administrative confusion and demoralization at lower levels. The situation is complicated by the party's weak control, particularly at the local level, and by domestic economic policies which have left consumers angry and sullen.

Political infighting among party leaders so far has not been aimed at supplanting Gomulka, but rather at influencing the formation and execution of policy. One example of such activities is the apparently unsuccessful attempt of Stalinist Deputy Premier Zenon Nowak to supplant party secretary Ochab as boss of Poland's agriculture, and to institute a modified version of Soviet-style agricultural administration.

Gomulka has sought to prevent disclosure of the intraparty discords in order to avoid exposing the party's weakness and thus alarming the population. Only three central committee plenums have been held since November 1961, and all were on topics carefully calculated to avoid controversy. A party congress is due this year, but so far no preparations have been noted.

There are recent indications that hard-line groups may have made the most of the situation. One sign is the removal last month of the relatively liberal director of the party central committee's Department of Science and Education (he has not yet been replaced). Another is the announcement on 17 May that two party cultural journals, both liberal in orientation, would suspend publication and be replaced in June by a new cultural weekly.

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The Polish people have apprehensively watched the progress of the hard-liners since Gomulka returned several of them to positions of power in 1959. They have been impressed by the increased efficiency and ubiquity of the secret police. They have been disillusioned by the regime's failure to maintain the promises of the October 1956 Revolution and meet their expectations for a better life. Instead, for over a year the standard of living has been stagnant, and there is little hope for improvement until at least 1964. Tensions are growing, especially in urban areas

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The Communist World

BULGARIA PROPOSES SWEEPING ECONOMIC REORGANIZATION

A major reorganization of economic administration is under way in Bulgaria, generally paralleling earlier changes in the Soviet Union and some of its other European satellites. The projected changes will give the party a larger role in economic management and control. The reform is intended to adapt economic management to the needs of a rapidly developing economy and to meet the bloc's planning for economic integration. The Politburo and the Council of Ministers, meeting jointly on 22 May, took the first steps to implement the proposals.

The reform calls for amalgamation of industrial enterprises producing similar or related goods. New agricultural boards (apparently similar to the Soviet "territorial production administrations") will be established at the local level under the jurisdiction of both the Ministry of Agricultural Production and the District People's Councils. The boards will be staffed by specialists whose pay will be directly linked to production.

Government and party control functions will be brought closer together by promoting specialization by party members in various economic fields. To this end a new joint committee

for party and state control, as in the Soviet Union, will be attached to the party central committee and to the Council of Ministers.

The Bulgarian regime, like other satellites, aims to bring more realism into economic planning by eliminating duplication of planning efforts, giving local organs a greater voice in the drafting of plans, and making adequate provision in the plans for contingencies.

Although the regime apparently wants to fix responsibilities more definitely and draw clearer lines of authority in the economic administration, efforts to enlarge the role of party members in management of the economy could have the opposite effect. A call for mass participation in economic planning and control through production councils in factories and farms also may create added difficulties for enterprise managers.

The Bulgarian reform, like Khrushchev's recent reforms in the Soviet Union, relies heavily on political action by party members to counter bureaucratic tendencies in economic administration. While Bulgaria's proposals call for improvement of incentives, specific remedies are not mentioned.

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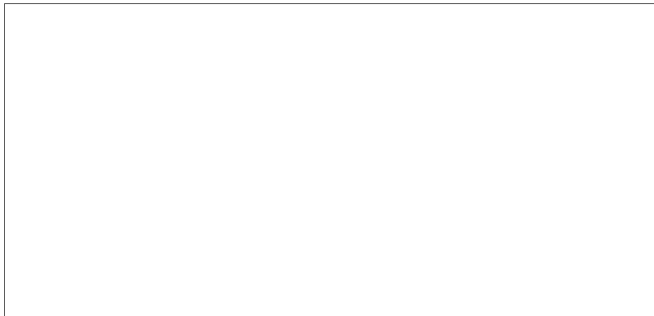
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The Communist World

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MINORITIES CONTINUE TO RESIST CHINESE COMMUNIST RULE

Restive ethnic minorities traditionally hostile to Chinese rule continue to complicate the Communist regime's problems of controlling China's border regions. The most troubled area during the past year has been Sinkiang. Hostile nationality groups also exist in Inner Mongolia, Tibet, and Yunnan Province.



Similar disturbances were reported last year from the Ili-Tacheng area [redacted]. During those uprisings possibly as many as 70,000 Uighur and Kazakh tribesmen fled across the Soviet border and received sanctuary. At first hesitant to take strong measures, the Chinese in August 1962 closed off the Sino-Soviet border and increased the number of border guards. They also began using troops to disperse crowds demonstrating against harsh living conditions. Thereafter, [redacted] food rations were increased, but security controls were tightened.

These measures clearly did not suffice. At a meeting of public security forces in Sinkiang on 11 March, the need to "safeguard frontier defense" and "strengthen the solidarity among different nationalities" was stressed.

Farther east, [redacted] a marauding band of nomads began harassing Chinese rail-road construction work early in 1962. [redacted]

Peiping has used combinations of military force and economic concessions in its efforts to control the minorities. In Tibet, it has relied primarily on military force. About 100,000 soldiers are stationed there, far more in proportion to the civilian population than in Sinkiang and other areas of China.

In northern Inner Mongolia, on the other hand, a marked improvement in Sino-Mongol relations followed Chinese concessions last year. The most important single concession was the withdrawal of large numbers of Chinese settlers who had encroached on Mongolian grazing lands. Other reported concessions included an increase in food rations and a halt in efforts to collectivize the Mongols.

Mindful of possible political effects in Southeast Asia, the Chinese Communists have also been cautious in their handling of minorities in southern Yunnan Province, who are ethnically related to population groups in Laos, Burma, and Thailand. [redacted]

the Chinese there have not pushed collectivization and have tolerated infractions of criminal law by the Thais. [redacted]

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The Communist World

LIU SHAO-CHI COMPLETES SOUTHEAST ASIAN TOUR

Communist China's chief of state Liu Shao-chi, accompanied by Foreign Minister Chen Yi, has completed a month-long swing through Southeast Asia--his first essay at personal diplomacy outside the bloc. He apparently scored his greatest success in Djakarta and made the least impression in Burma. In Cambodia, his visit was clouded by unprecedented security precautions promptly by the discovery of a Chinese Nationalist assassination plot.

In Hanoi, Liu made a strong bid for more explicit support in Peiping's dispute with Moscow. He bore down hard on the importance of a militant, unrelenting struggle against imperialism, and alluded reprovingly to North Vietnam's neutral stance in the dispute.

The North Vietnamese were only partially responsive to Liu's efforts.

The joint statement which Liu signed with Ho Chi Minh at the end of the visit did contain several important Chinese positions. Without even a nod to peaceful coexistence, the two leaders affirmed the need for a concerted Communist struggle against imperialism. They termed "modern revisionism" the main danger to the international Communist movement, pointing to

the Yugoslavs as the "concentrated expression" of this danger. Although Hanoi had used these formulations independently before Liu's visit, Peiping probably considers it tactically useful to have them restated over Ho's signature before beginning its bilateral negotiations with Moscow.

The North Vietnamese clearly shied, however, from a clear-cut commitment to the Chinese Communist side. In his parting remarks, Ho pointedly placed Vietnamese-Chinese friendship on the level of relations with "all other socialist countries and all fraternal parties." During Liu's stay, Hanoi speakers persistently praised the USSR in the same breath that they praised China.

Hanoi's coverage of the visit indicated that extensive discussions were held on a wide range of topics, doubtless including future Communist strategy in South Vietnam. During his stay in Hanoi, Liu frequently voiced Peiping's full support for the Viet Cong insurrection. The possibility that Liu offered material as well as moral support was suggested by the inclusion in his entourage of a top economic planner.

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The Communist World

SOVIET MILITARY AID TO NORTH KOREA

The North Korean military defense program continues to be bolstered by deliveries of Soviet equipment, despite Pyongyang's vigorous support for Peiping in the Sino-Soviet dispute. Aerial photography [redacted] [redacted] disclosed an operational surface-to-air missile site consisting of six launch positions 16 miles southeast of Pyongyang.



From a purely military viewpoint, the delivery of surface-to-air missiles was a logical step in the development of North Korea's air defense program. Pyongyang's fully integrated fighter interceptor system, including over 300 MIG-15 (Fagot) and MIG-17 (Fresco) jet aircraft, has only a limited high-altitude intercept capability.

Despite the continuing evidence of Soviet defensive arms assistance to North Korea, Moscow may have lowered the overall level of military aid, and threatened its eventual termination as a form of pressure on Pyongyang in the Sino-Soviet dispute. This was implied in a North Korean central committee statement last December which hinted that Pyongyang might have to go it alone militarily.

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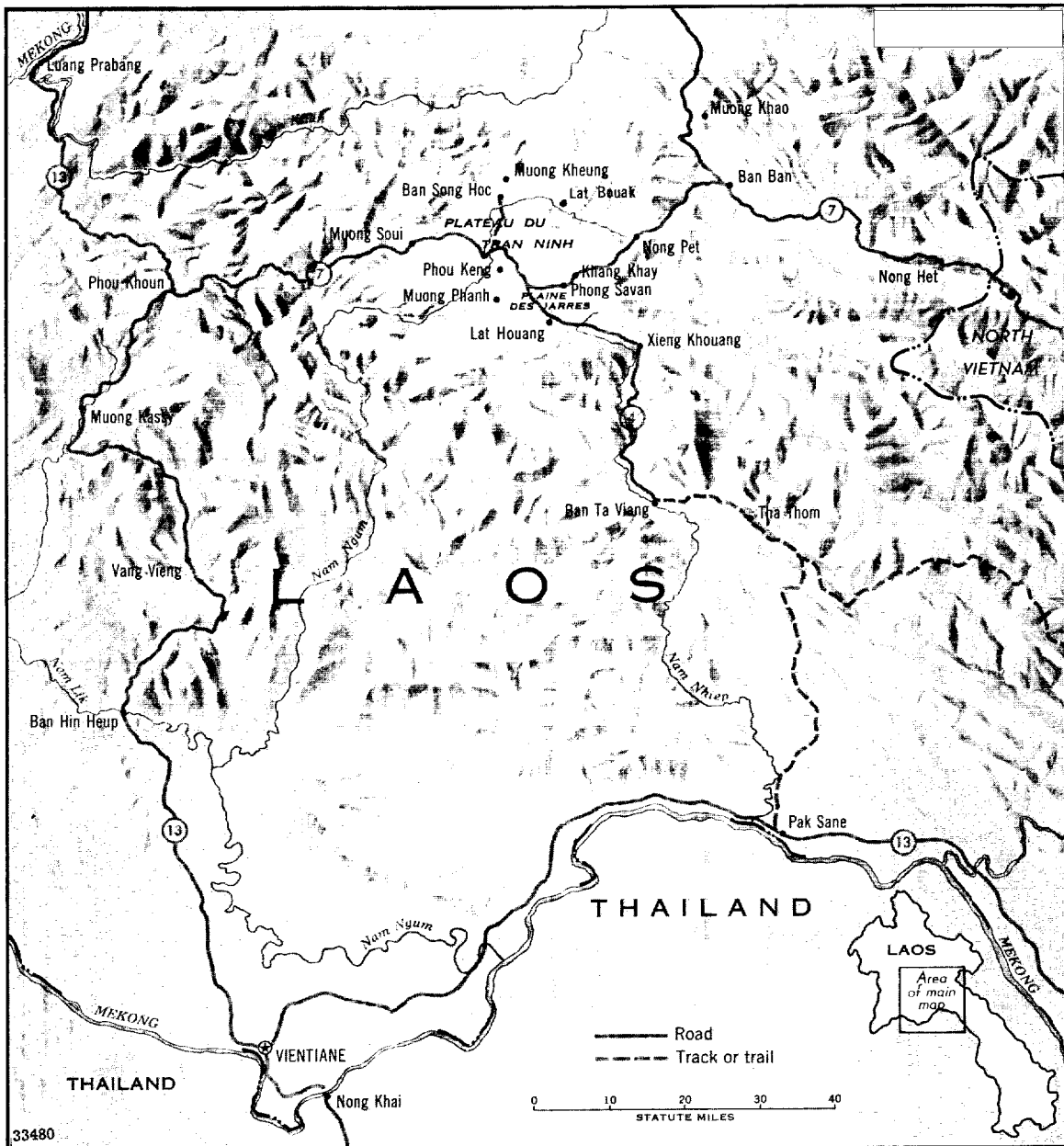
The statement urged the North Korean people to "arm themselves," and called for an immediate effort to strengthen the country's "defense capacity," even at the expense of over-all national economic development. North Korean support for Peiping in the Sino-Soviet dispute became more open and vigorous immediately thereafter at the series of European party congresses in December and January, and has continued on this level since.

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Asia-Africa

FIGHTING STEPS UP IN LAOS

With the gulf between Premier Souvanna and Pathet Lao leader Souphannouvong steadily widening, Laos appears to be edging toward resumption of civil war.

Fighting has stepped up in the Plaine des Jarres area following weeks of desultory skirmishing and maneuvering. Fairly heavy exchanges of artillery and mortar fire are taking place at Xieng Khouang town, Lat Houang, and Lat Bouak.

An attack on Xieng Khouang launched by combined neutralist Lao army and Meo elements has met stiff resistance and appears to have bogged down. Vientiane communiquees describe the overall situation in the area as critical.

General Phoumi dispatched a fourth Lao army battalion last week to support neutralist commander Kong Le. Meo guerrillas are also intensifying their efforts to interdict the Communists' main supply line from North Vietnam--Route 7-- and to block feeder roads in the Plaine des Jarres complex.

The growing involvement of Phoumi and Meo troops in so-called "liberated territory" is likely to touch off a Communist reaction. Neutralist reports indicate that a significant buildup of Communist troops and supplies is taking place both in the Plaine des Jarres area as well as along Routes 12 and

9 in south-central Laos. These reports also state that substantial numbers of North Vietnamese troops are involved. While confirmation of this latter aspect is lacking, the introduction of additional North Vietnamese would be likely if fighting escalates, particularly if the Pathet Lao and dissident neutralist forces seemed threatened with serious reverses.

Any resumption of Communist aggression probably would have the objectives of ousting Kong Le from the Plaine des Jarres and clearing up pockets of neutralist and rightist troops in other areas removed from the principal towns of the Mekong Valley.

The USSR is about to withdraw its remaining pilots and mechanics connected with the ten aircraft it gave the Vientiane government last December. Although the agreement with Laos envisaged the withdrawal of Soviet personnel as Lao technicians were trained-- and many of the Soviets have phased out since February-- the windup of the mission helps the USSR out of a delicate position with Peiping and Hanoi, since the Soviet air crews were being used to support Kong Le and Phoumi forces.

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Asia-Africa

MILITARY TIGHTEN CONTROL IN TURKEY

The failure of retired Col. Talat Aydemir's attempt on 20-21 May to overthrow the Inonu regime in Turkey appears to have demonstrated a high degree of unity in the military establishment and should increase its prestige. The military apparatus thus will probably play an even stronger role than before in the country's political life, at least until the civilian government can demonstrate more unity of purpose and sense of direction than it has recently.

As a result of the coup attempt, the military high command has established tight control over virtually every aspect of civil and military life. A "state of siege" has been declared, military units have been placed in a "readiness alert" status, and martial law has been instituted for at least one month in the provinces of Ankara, Istanbul, and Izmir. Night curfews have been imposed in the cities of Ankara and Izmir, the press is subject to censorship, and politicians have been warned against making any statements that would "tend to confuse the public."

The military may use the emergency to crack down on other elements hostile to the Inonu government, especially the retired officers' association, "Eminsu," and the extremist wing of the Justice Party, the major political opposition group.

Unless Prime Minister Inonu's tripartite coalition begins to demonstrate sufficient unity and drive to make economic progress and to win public confidence, the current controls could be the first moves in resuming more direct military control of the government. Even before the Aydemir episode, the military had been suggesting that a national front government might be established.

The abortive coup was an even greater fiasco than Aydemir's previous attempt to overthrow the government in February 1962. It was ill-timed and lacked any significant support other than from among students at the War Academy in Ankara, which he headed from 1960 to 1962.

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Asia-Africa

CHINESE NATIONALIST COUNTERATTACK PREPARATIONS

The Chinese Nationalists are apparently accelerating efforts to increase their amphibious lift capability. There are no indications that they intend to launch a frontal attack on the mainland soon, however, and the high pitch in their preparations anticipated for this spring has not materialized.

The Nationalists have probably completed about 60 of 110 LCMs (Landing Craft Mechanized) begun late last year, and might complete the remainder by September--earlier if reported negotiations with Japanese shipbuilders are successful. These 110 craft could probably transport about a division of lightly armed men in ideal weather. In late April, naval officials ordered that all of the Nationalists' 22 LSTs (Landing Ship

Tanks) were to be made operational as soon as possible.

The Nationalists might attempt large-scale action against the mainland without informing the US. Nationalist officers have been secretive with US advisers regarding recent airborne and amphibious exercises, such as one in early May involving a paratroop regiment and requiring almost all Nationalist transport aircraft--a force which could have been sent against the mainland.

Key Nationalist officials, however, probably understand the seriousness of their deficiencies for launching and sustaining a counterattack, and operations in the next few months will probably continue to be limited to small-scale guerrilla and commando probes.

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MOROCCO'S ROYALISTS WIN SLIM EDGE IN ELECTIONS

The royalist party apparently won a sizable plurality in Morocco's first parliamentary election on 17 May, but not the decisive majority expected. Returns are still unofficial, but the royalist Front for the Defense of Constitutional Institutions (FDIC) seems to have won 69 of the 144 lower-house seats at stake, the conservative Istiqlal 41, the leftist National Union of Popular Forces (UNFP) 28, and independents 6.

King Hassan's lukewarm support for the FDIC may account for its poor showing.

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Even though creation of the parliament in no way diminishes his near-absolute powers, and his closest adviser, Ahmed Reda Guedira, controls the FDIC, he may have wished to avert an overwhelming majority under one group.

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Asia-Africa

Minister of Agriculture and Interior Guedira was the only winner among the seven cabinet ministers who sought election. If the King relinquishes the premiership, he is likely to ask Guedira to head his government. The King, however, would still retain a firm personal control over all governmental activities--to the detriment of administrative efficiency.

Of the opposition parties, the Istiqlal apparently intends to perpetuate the tension of the pre-election period. It has declared that it will take all steps necessary "to clean up the situation"--a reference to its charges of pervasive corruption.

EGYPT, SYRIA, AND IRAQ

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Although Egyptian propaganda has continued to attack the Syrian Baathist leadership, arrangements for a temporary truce may be in the offing. Nasir made only a moderate, indirect reference to his Baathist antagonists in Syria and Iraq in his speech in Cairo on 20 May. Nasir has been meeting with a Syrian peace-making delegation that arrived in Cairo last week end, and he talked with Iraqi President Arif just prior to the 20 May speech.

The Iraqi Government is preparing to renew negotiations on Kurdish autonomy, but both government and rebel forces continue also to prepare for possible new hostilities. The US Embassy believes the Kurds will probably reject the government's offer of limited self-government.

A lasting reconciliation between Nasir and the Baathists still appears improbable. Nasir, however, may believe that some temporary compromise with them is necessary on the ground that continued intransigence on his part would damage his image as the champion of Arab unity.

The regime apparently feels its already slipping prestige would suffer with any sign of genuine concessions to the Kurds. It also seems unrealistically confident of its ability to defeat any renewal of the Kurdish insurrection, which was largely responsible for the fall of former Prime Minister Qasim.

The Kurds maintain that the government is deliberately stalling in order to build up its armed strength for an assault on rebel positions.

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Europe

FRENCH COMMUNIST STUDENT UNION DEFIES THE PARTY

The French Communist Party (PCF) has taken retaliatory action against the Union of Communist Students (UEC) for refusing to submit to party discipline on a disputed program of action. The defiance of the UEC adds to the difficulties of the PCF as it seeks to adopt a less doctrinaire position on some substantive issues and at the same time to strengthen internal discipline.

The conflict came into the open when the National Committee of the 4,000-member UEC drew up for discussion at its February National Congress a "program of action" based on an independent analysis of the French political scene. In the past, the union had confined itself to recommending ways of implementing policy decisions taken by the PCF leadership. When the UEC refused to yield to PCF pressures to postpone its congress and withdraw the program from circulation, the party called for PCF federations to apply pressure on the UEC at local levels.

The UEC program, labeled "revisionist" by the PCF, challenged the party's official position on several crucial points. After first denying the PCF contention that students have no "social unity" of their own, the program criticized the party for its failure to carry out an adequate process of "de-Stalinization."

Further, the program questioned the validity of the old-fashioned appeal for a united front of Communists, Socialists, and Radicals. Labeling this a "tactical alliance against Gaullism" rather than a true socialist grouping, the UEC called for a genuine center-left association with such groups as the National Union of French Students, the Unified Socialist Party, and progressive Catholics.

Finally, the program refused to dismiss the Common Market as a capitalist plot and called for a more thorough analysis of the EEC along the flexible lines undertaken by the Italian Communist Party.

The UEC congress approved the program by a majority vote and subsequently refused to yield to the demands of the PCF Political Bureau. Party leaders made it clear at this juncture that rejection of the party's demands would be considered a new and far-reaching attack on the party leadership. Although there has been no formal break between the two groups, the PCF has announced it will bypass the UEC and work directly with the students, and has suspended financial subsidies to the UEC.

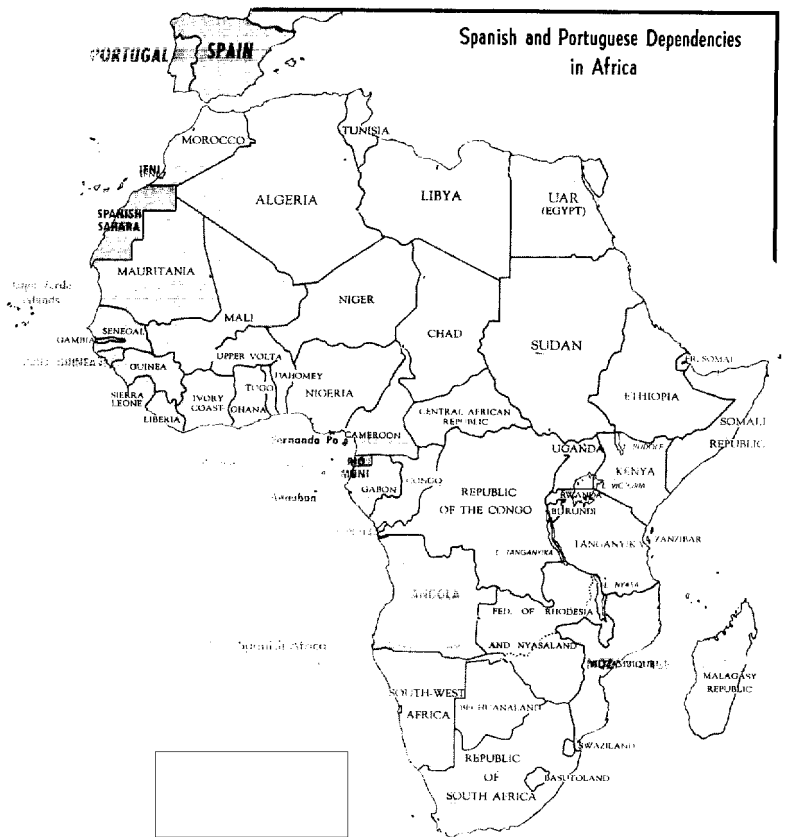
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Europe

MEETING OF SPANISH AND PORTUGUESE DICTATORS

The mid-May meeting of Spain's Franco and Portugal's Salazar--the first since June 1960--reportedly took place in an atmosphere of "perfect understanding." There is reason to believe, however, that both governments are increasingly concerned over divergencies in their African policies.

Portuguese Foreign Minister Franco Nogueira, who was present at the meeting, told Ambassador Elbrick that a wide range of subjects was discussed, and implied that one main topic was Iberian solidarity in dealing with international problems. Despite Franco Nogueira's insistence to the contrary, Elbrick concluded that there were probably some snags.

The Spanish Foreign Ministry's director general of political affairs, who accompanied Franco, implied to the US chargé in Madrid that the most lengthy talks were on Africa. Differences over African policy, he said, derived from the much greater magnitude of the problems confronting the Portuguese. The official stated that relations with the US, including the question of bases in Spain and the Azores, were also briefly discussed.

Salazar may have taken the initiative in seeking this meeting, as he is reported to have done unsuccessfully in the spring of 1961 and in February 1962. Franco probably wanted to avoid a meeting in view of the difficulty in reconciling support of Salazar's African policy with his own plan for preparing Spain's African provinces of Rio Muni and Fernando Po for eventual self-government.

Spanish officials have on several occasions admonished the Salazar regime to initiate some liberal measures in its African provinces as a means of reducing Afro-Asian hostility in the UN, where the Portuguese have been seeking Spanish support. Almost a year and a half ago Captain General Munoz Grandes (since appointed vice president) said Franco had sent him to tell Salazar that Portugal should immediately institute meaningful reforms both in Angola and at home in order to ward off the danger of serious Communist penetration.

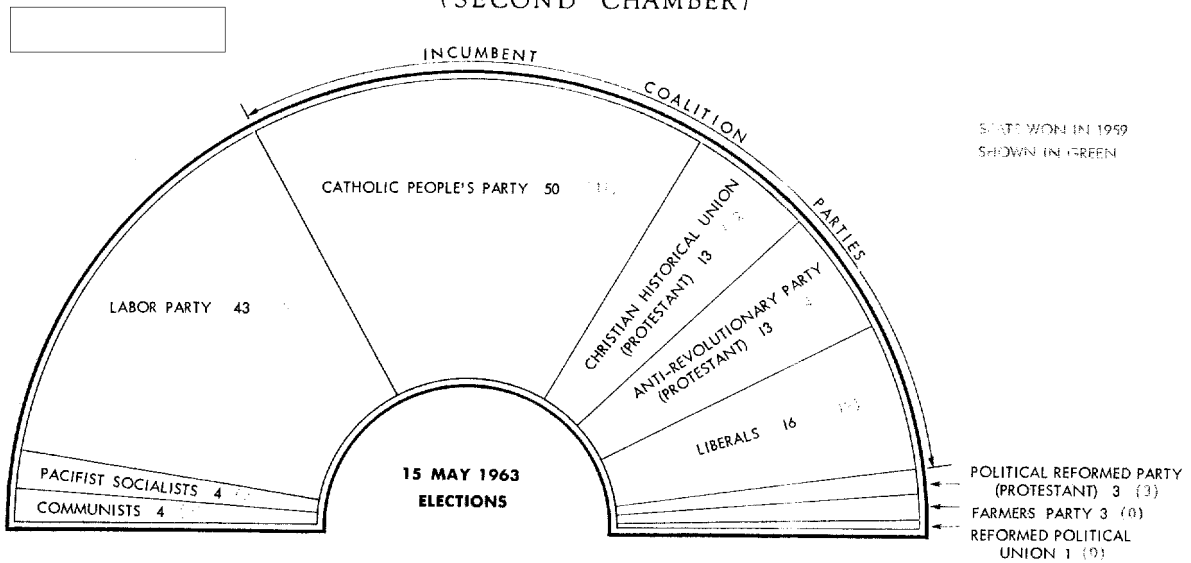
Participants in the recent meeting remarked on Franco's apparent good health and abundant vitality. The Spaniards said they found Salazar in much better health and form than at the time of the 1960 meeting.

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PARTY STRENGTHS IN THE NETHERLANDS LOWER HOUSE OF PARLIAMENT (SECOND CHAMBER)



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Europe

RESULTS OF NETHERLANDS PARLIAMENTARY ELECTIONS

The substantial gains of the Catholic People's Party (KVP) in the Netherlands' 15 May parliamentary elections ensures continuation of the country's strong commitment to the Atlantic Alliance. The KVP's cabinet partners--the two principal Protestant parties and the Liberals--lost a total of three seats, but the present coalition is likely to be reconstituted with only a few changes of cabinet members.

There is considerable sentiment in favor of retaining the popular incumbent premier, Jan DeQuay, who may be persuaded to stay on despite an expressed intention to step down and take a seat in the

upper house. There is also a strong possibility that Foreign Minister Luns, who greatly enhanced his position by opposing De Gaulle's European policy, will be asked to remain.

The gains registered by the minuscule Communist and Pacifist Socialist parties on the extreme left do not markedly affect the existing power relationships in Parliament. The parties strongly committed to existing foreign and defense policies control more than 130 of the 150 seats in the lower house.

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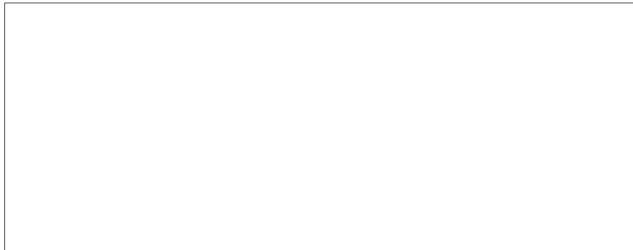
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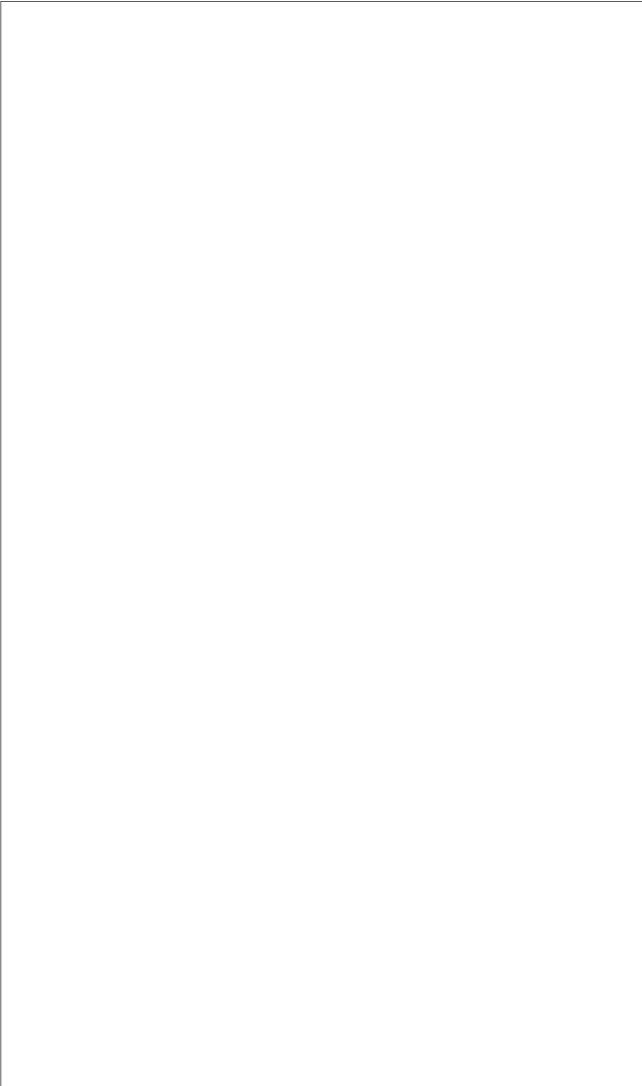
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THE SITUATION IN HAITI

The regime of Haitian dictator Duvalier staged an elaborate celebration on 22 May to make the second anniversary of his "reinauguration" for a new, unconstitutional six-year term as president. Opposition forces inside Haiti had claimed on several occasions that their efforts to oust Duvalier would reach a climax on that date. However, they once again failed to move--as they had a week earlier when his legal term expired on 15 May.



Many thousands of peasants were brought to the capital for the 22 May celebrations. Some who had reached the city by 20 May were targets that night of bombing and gunfire attacks by anti-Duvalier terrorists--probably under the leadership of Clement Barbot, whose small group is the only one known now to be operating inside Haiti. An unknown number of casualties resulted.

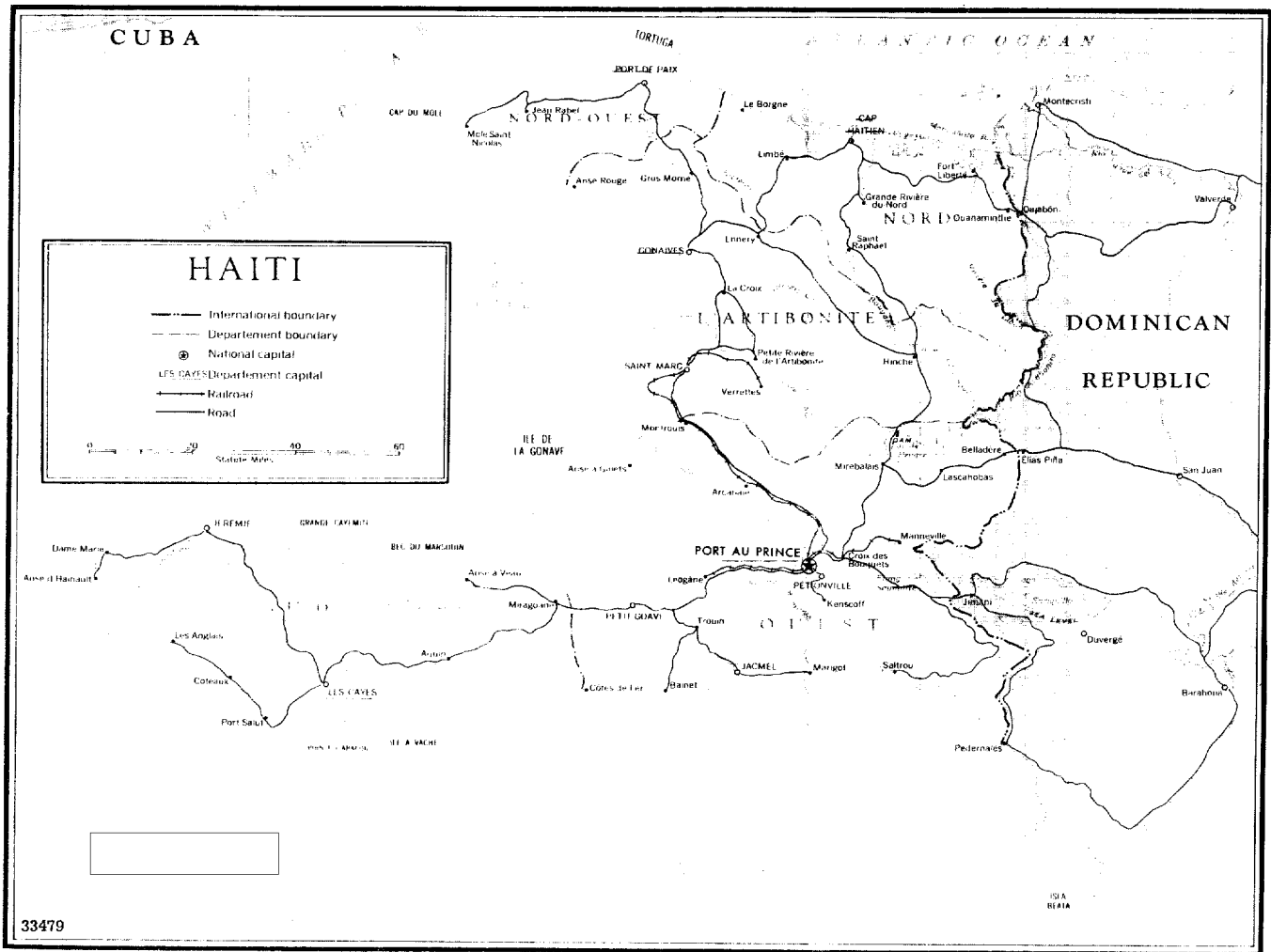


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International support for Duvalier has been notably lacking since his legal term expired, but few governments appear willing to risk charges of intervention by favoring strong action against him. Most, if not all, West European countries have

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Western Hemisphere

indicated their intention of continuing "normal" relations with Haiti--a policy evidently based primarily on the fact that the Duvalier government continues in effective control.

French-Haitian relations--traditionally close because of cultural and historical ties but cool and restrained under Duvalier--apparently will continue unchanged despite speculation that a recent letter to Duvalier from De Gaulle presaged closer ties. A copy of the letter--replying to a Duvalier note in March asking for economic aid--was shown on 18 May to Ambassador Thurston in Port-au-Prince, who said it conveyed a courteous but vaguely worded answer to Duvalier's request. The French ambassador in Haiti refused permission to publish De Gaulle's message in the local newspapers, but this has not prevented the Duvalier-controlled press from heralding it widely as further "evidence of the esteem and prestige accorded abroad" to Duvalier's "progressive policies."

Venezuela and Costa Rica suspended relations with Haiti on 15 and 16 May, but other Latin American states are postponing a decision at least un-

til completion of the report of the special five-nation OAS commission which recently left the island. The easing of the Haitian-Dominican tension could persuade some OAS members that there is no further urgency, however, and make it difficult for the inter-American community to pursue charges that the Duvalier regime has violated basic human rights. Some states--such as El Salvador, Argentina, and Peru--are reluctant to break with the Duvalier regime on grounds of nonconstitutionality because of their own illegal changes of government within the last year or so.

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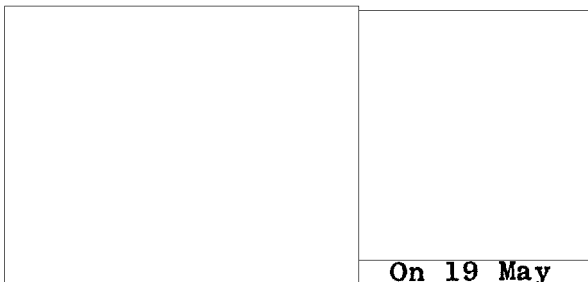
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INSURGENCY IN GUATEMALA

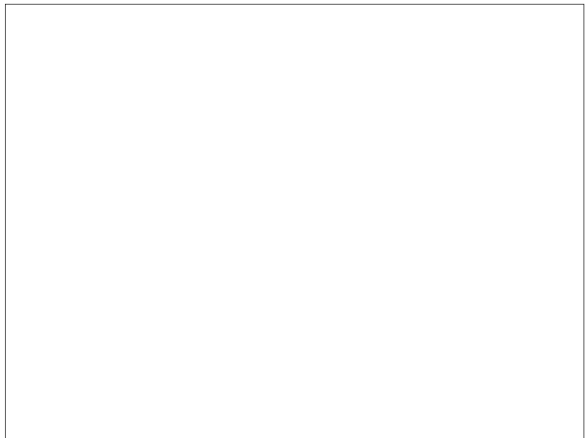
Guerrilla activity in Guatemala seems to have abated, but the government remains concerned. It has been unable to destroy the subversive groups operating in the hinterlands and apparently lacks solid information about their size and composition. Death sentences were handed down by a military court on 18 May against five captured insurgents.

claimed guerrilla successes against the military.

Secondary students, their schools closed by the Peralta government in response to student political strikes, reportedly aspire--like other disgruntled groups--to join the guerrillas. However, the government seems determined to control the extremists among students, who are Communist led and often the catalyst for political violence in Guatemala.



On 19 May Havana radio broadcast a "clandestine communiqué of the Guatemalan Rebel Movement" which charged the Guatemalan Army with the murder of ten workers in Izabal Province and



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Western Hemisphere

ARGENTINE PRE-ELECTORAL SITUATION

The Argentine Government's efforts to ensure that general elections take place as scheduled on 7 July face new challenges from the Peronists

Peronist labor leaders have scheduled a "week of protest" beginning on 23 May and ending with a 24-hour general strike on 31 May. These politically motivated demonstrations will be susceptible to exploitation by groups which want to block the elections and might even constitute a Peronist effort to sabotage the elections.

The Peronists' intentions remain obscure. They have hitherto insisted that their negotiations with the government over the past year on the terms for their participation in the elections be kept secret. Publicly, they have denied that any such negotiations were taking place and have continued to take an uncompromisingly pro-Peron line. Their strategy apparently has been to accept certain limitations by the government in order to gain permission to participate, then to rally support from other parties which were hoping to benefit from a front arrangement with the Peronists, and--backed by this support--to press further for their own terms.

However, a decree published on 17 May makes clear the government's determination to prevent these maneuvers. It prohibits the Peronists' party, the Popular Union (UP), from presenting candidates for the presidency, the vice presidency, or provincial governorships, and limits them to congressional, other provincial, and municipal races. It squelched the Peronists' hopes of offering candidates for governor in five provinces that were open to them earlier.

Peron and certain of his agents have dominated Peronist and UP strategy thus far, but if he now decides to try to sabotage the elections, part of the UP leadership may seek a more independent course. The seven-party front to which the UP belongs--and whose formation was encouraged by the government--has not yet selected a presidential candidate, as the 24 May deadline for inscription approaches.

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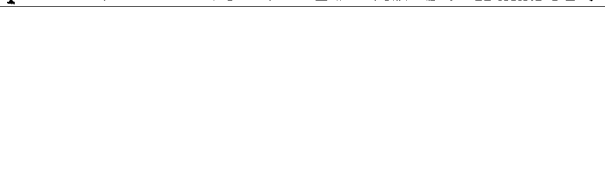
Western Hemisphere

BRAZILIAN PRESIDENT PURSUES EQUIVOCAL TACTICS

Brazilian President Goulart continues to play off pro-Communists against their opponents in several fields, in an apparent effort to strengthen his power position.

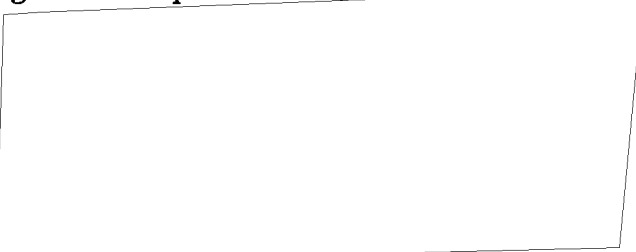
In organized labor Goulart has agreed to help build the non-Communist Workers' Union Movement into a nationwide organization. This would provide a competitor to the Communist-dominated General Workers' Command (CGT), in which Goulart has lost some influence in recent months. He probably believes that he can best retain a decisive voice in organized labor activity by having rival organizations.

Among the military, Goulart has tended to support the extreme leftists around First Army Commander Osvino Alves and, by promotions and reassignments to key posts, has given them a position of strength disproportionate to their small number.



Goulart took no public part in a recent controversy involving his leftist brother-in-law, who delivered a public

address in Natal attacking the commanding general of the Natal garrison personally.



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The Goulart government's attitude toward the United States also shows equivocal tendencies. Although most overseas diplomatic posts continue to be held by pro-Western officials, the government is willing to appoint men likely to favor the USSR over the US to important positions in international organizations. Antonio Houaiss, a probable Communist, is attached to Brazil's UN mission. In mid-April, Brazil appointed pro-Communist Josue de Castro to head its delegation to the disarmament conference in Geneva.

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The government's attitude toward the US aid program in the impoverished Brazilian northeast, however, has recently become markedly more cooperative than for some time past.

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