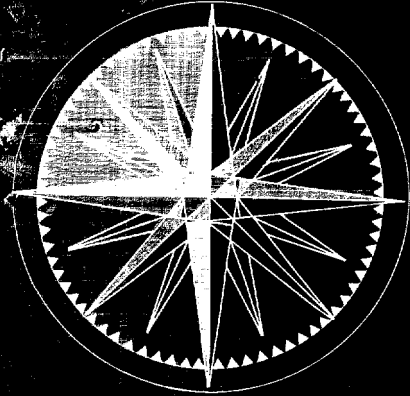


28 May 1964

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed.



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C O N T E N T S

(Information as of 1200 EDT, 27 May 1964)

<u>THE COMMUNIST WORLD</u>	<u>Page</u>
RUMANIA LAUNCHES ANTI-SOVIET INDOCTRINATION CAMPAIGN The regime is apparently trying to maximize its public support and may be setting the stage for some new and more dramatic demonstration of independence from Moscow. Moscow's concern is probably reflected in its invitation to Bucharest to send a party delegation to the USSR.	1
<div style="border: 1px solid black; height: 80px; width: 100%;"></div>	
SOVIET CULTURAL THAW CONFIRMED Leonid Ilichev and other party spokesmen, in meetings with leading intellectuals, promised a more liberal attitude toward the arts and reportedly urged their listeners to take a firm stand against Chinese "dogmatism."	3
THE ACCOMPLISHMENTS OF KHRUSHCHEV'S VISIT TO EGYPT Khrushchev used his speeches and actions in Egypt to refute Chinese charges of Soviet indifference to the needs of "national liberation movements" and to stress that the USSR too is an Asian state and therefore entitled to attend the forthcoming Afro-Asian conference.	4
AGRICULTURAL SITUATION IN COMMUNIST COUNTRIES The grain crops in the USSR and Eastern Europe will probably be average or better, but prospects are less favorable in China and Cuba.	5
<u>ASIA-AFRICA</u>	
COMMUNIST MILITARY PRESSURES CONTINUE IN LAOS Neutralist forces have withdrawn farther in some areas, although they and the Laotian rightists plan to move forward in others. The French proposal for a new full-scale international conference on Laos has been endorsed by Moscow and Peiping.	6
SPLIT IN INDIAN COMMUNIST PARTY Both the pro- and anti-Soviet factions will hold national-level meetings in early June, at which time the lines of the split will probably harden.	8

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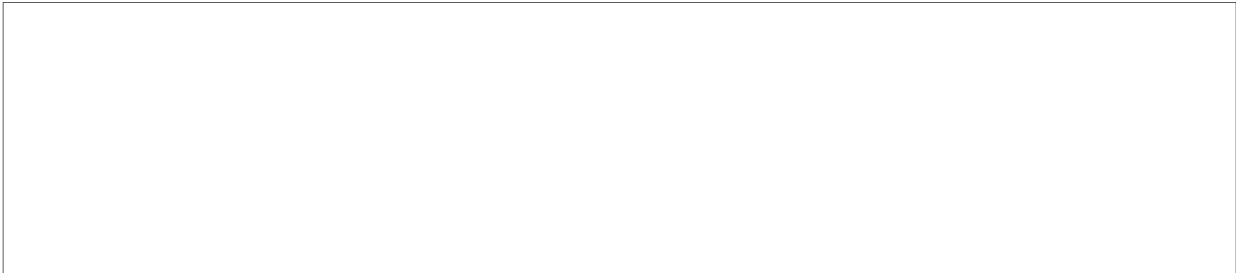
ASIA-AFRICA (continued)

Page

NOTE

On the death of Nehru

8



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ARMS STOCKPILING PORTENDS NEW OUTBREAKS ON CYPRUS

9

UN officials are concerned that unless they are authorized to prevent new arms from reaching the island, the situation will become "well-nigh hopeless."

ALGERIAN REGIME FACES GROWING DISSATISFACTION

10

President Ben Bella got a cool public reception on his return from three weeks in the USSR and Eastern Europe, and rumors of moves against him are again circulating.

NIGERIAN POLITICS REMAIN TURBULENT

11

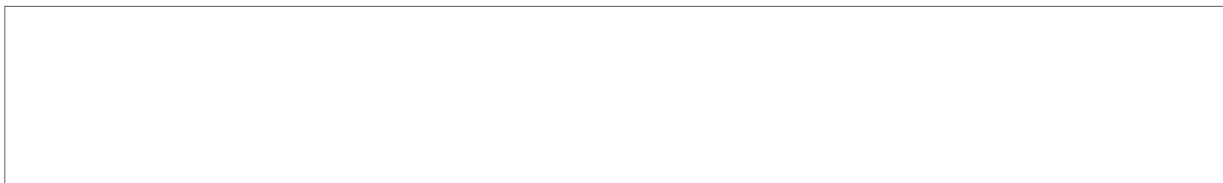
The regional political parties are continuing the dispute over last year's census, which favors the North, and labor leaders threaten a new round of agitation.

CONGO SECURITY SITUATION DETERIORATING AGAIN

12

The virtual collapse of the Congo Army's effort against the rebels in the eastern part of the country appears to be encouraging insurgents in other areas.

EUROPE



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THE ITALIAN SOCIALISTS AND THE CHINA-RECOGNITION ISSUE

14

A leading Socialist is visiting China in a move intended to reinforce his party's domestic political position against the Communists. His trip, however may set off another round of debate in Italy on the Peiping-recognition issue.

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<u>EUROPE (continued)</u>	<u>Page</u>
STATUS OF THE MULTILATERAL FORCE DISCUSSIONS The eight nations participating in the current MLF talks are still considering issues involved in drawing up a charter for the force, but US hopes for a signed agreement by the end of the year are dampened by the electoral distraction this year in the UK and similar political uncertainties in Italy. Meanwhile, NATO members are considering a new draft agreement on exchange of nuclear weapons information.	15
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<u>WESTERN HEMISPHERE</u>	
CUBA STILL PUSHING CAMPAIGN AGAINST US OVERFLIGHTS Cuba will continue and probably expand its diplomatic and propaganda offensive against the US, but evidently does not expect a solution of the overflight issue until after the US presidential election.	17
MEXICO AND THE COLORADO RIVER SALINITY PROBLEM Anti-US resentment is rising rapidly in Mexico over the unresolved problem of the Colorado River's salinity, which has been causing ever-increasing damage to Mexican crops and agricultural land.	18
RACIAL VIOLENCE IN BRITISH GUIANA Racial violence, terrorism, and arson are spreading despite declaration of a state of emergency and deployment of British troops.	19
INTERIM STATUS REPORT ON BRAZILIAN REVOLUTION The continuing momentum of the reform program lends credibility to the new regime's claim to have staged a revolution and not a mere military coup d'etat. US officials in Brazil believe its chances are good for approaching its goals without becoming authoritarian.	20
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The Communist World

RUMANIA LAUNCHES ANTI-SOVIET INDOCTRINATION CAMPAIGN

The Rumanian regime, in the wake of its 22 April declaration of independence in Soviet bloc affairs, now is conducting a nationwide anti-Soviet indoctrination campaign. Party First Secretary Gheorghiu-Dej is apparently trying to maximize his public support by citing specific examples of Soviet perfidy and the regime's successful defense of Rumanian national interests. He may also be setting the stage for some further demonstration of Rumania's independence.

The two-week-old campaign has exceeded previous efforts in several respects while maintaining the drumfire of criticism against Soviet economic exploitation and efforts to integrate East European economies, some Rumanian speakers

have attacked Khrushchev himself as a "thief" and "corn and pig specialist."

The present campaign, moreover, unlike earlier criticism kept within party circles, is aimed at the public. Indoctrination meetings are apparently organized by occupation and tailored to specific groups. Doctors, for example, have reportedly been told that Moscow denied Rumania access to new medical techniques and equipment, but that "in coming days" Rumanian medicine will be unfettered.

The regime is apparently trying also to reassure the people that Moscow cannot reverse

the course of events.

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In stark contrast to the anti-Soviet campaign, the regime is openly showing receptivity toward increased cooperation with the West. Extensive publicity is being given, for example, to the current visit to Washington of a high-ranking delegation which Bucharest hopes will discover "new paths for expanding relations." The press also played up laudatory statements by a Rumanian electric power official who recently led a delegation to the US.

Moscow's deep concern is probably reflected in its invitation to Bucharest to send a party delegation to the USSR, ostensibly to study party methods of directing the Soviet economy. However, the group, which arrived in Moscow on 26 May and began discussions the same evening, is headed by politburo member Chivu Stoica, a specialist in international Communist relations. The Soviets will almost certainly urge the Rumanians to halt their personal abuse of Khrushchev. The Rumanians may play down the significance of their recent actions as they have in conversations with Western diplomats, but Bucharest shows no sign of backing away from its independent stand.

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Dej may be sowing the seeds of unrest by creating an air of

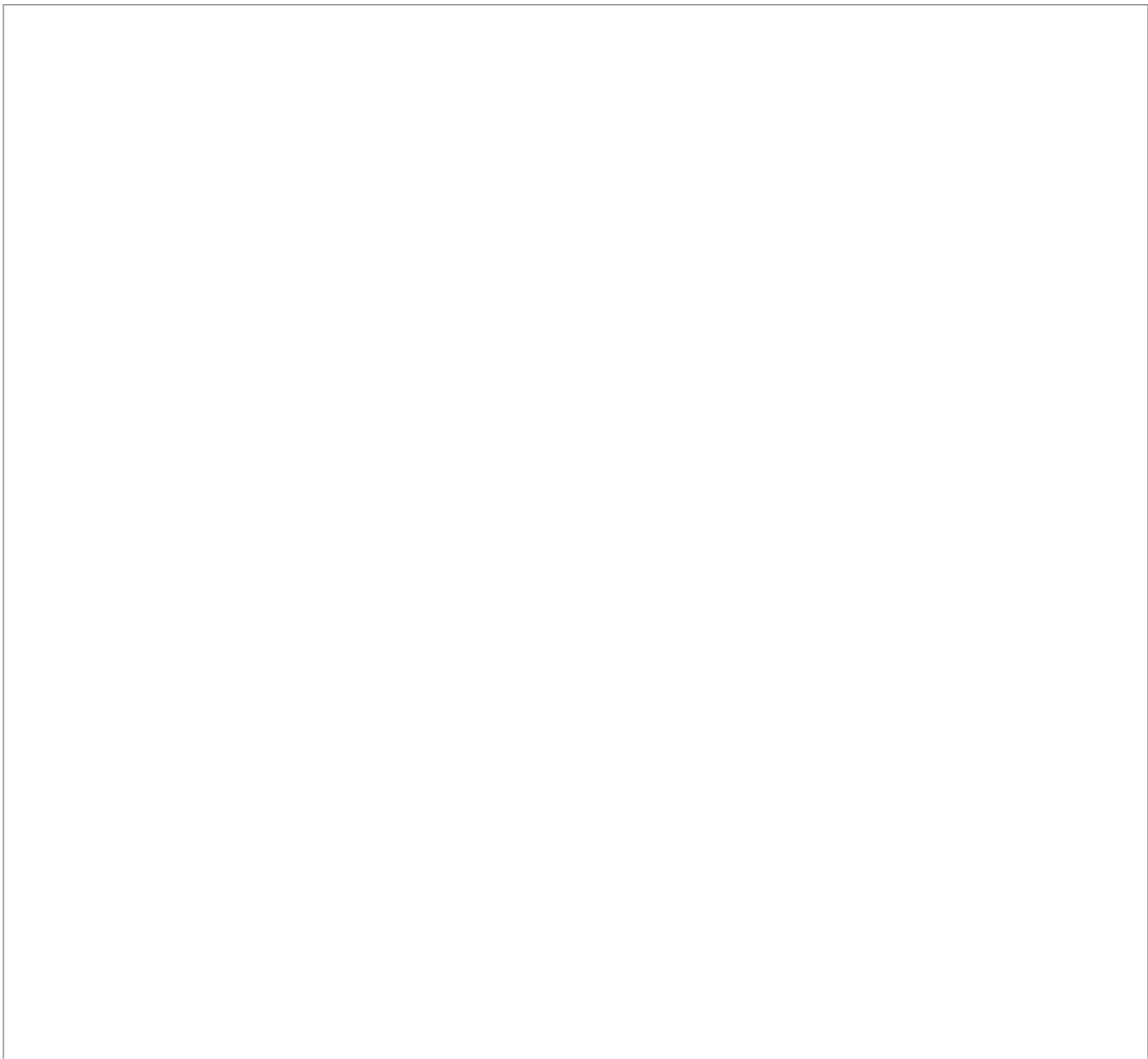
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The Communist World

expectancy. People are talking of a turn to the West and passing rumors that pro-Soviet party leaders have been purged and that one tried to defect to the USSR. The release of large numbers of political prisoners is probably

encouraging hopes for domestic liberalization. While the regime is by implication blaming Moscow for 20 years of repression in Rumania, there are few signs that the 25X1 assertion of independence will have political significance for the man in the street.

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The Communist World

SOVIET CULTURAL THAW CONFIRMED

The chairman of the Soviet Ideological Commission, Leonid Ilichev, has confirmed the past year's trend toward a relaxation of cultural controls. According to Western press reports, he also called for a firm stand by Soviet intellectuals against Chinese "dogmatism." Soviet intellectuals now expect a significant moderation in the official attitude toward selected aspects of Western art.

At a meeting with leading intellectuals on 16 and 17 May, Ilichev and other party spokesmen reportedly agreed that experimentation and variety are desirable in the arts, and attacked critics in all fields for failing to assist in such initiatives. Several non-conformists who were harshly criticized during the freeze of early 1963 were singled out last week for praise, and young artists whose works were confiscated in December 1962 were allegedly told that they now could hope for public showings. This promise of liberalization in painting and sculpture was limited, however, by Ilichev's reiterated strictures against "abstract art," which continues to be classed with "pornography" in the eyes of conformist art critics.

The meeting has not been reported in the Soviet press. US Embassy contacts have reported Ilichev's promises of liberalization, but have not mentioned the references to the Chinese problem. The credibility of Western press reports of his plea for support of Soviet intellectuals in the face of

Chinese attacks was bolstered, however, by the appearance in Pravda on 24 May of an article by liberal novelist Konstantine Simonov. Simonov ridiculed Chinese attempts to "fish with rotten bait" by sending "silly attacks against our party and its leadership" to "private addresses."

Soviet spokesmen have complained in the past about handouts by the Chinese Embassy in Moscow and Chinese broadcasts aimed at alienating the Soviet people from party leaders. Simonov's article is the first public reference to Chinese propaganda addressed to individual Soviet citizens. It is also the first public reference by a member of the Soviet creative intelligentsia to the Chinese problem, although Soviet historians have recently attacked Chinese historiography, among other things, for glorifying Genghis Khan.

The Chinese press last year criticized such liberal Soviet intellectuals as Yevtushenko and movie director Grigory Chukhrai. At least twice, however, the Chinese have found public words of praise for conservative novelist Vsevolod Kochetov and especially for his novel, The Obkom Secretary, which minimized Stalin's crimes. Since this view is a point at issue in the Sino-Soviet dispute, the "rotten bait" referred to by Simonov may have been a Chinese attempt to exploit the quarrel between liberal and conservative Soviet writers, which centers on the same issue.

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The Communist World

THE ACCOMPLISHMENTS OF KHRUSHCHEV'S VISIT TO EGYPT

Khrushchev capitalized on the inauguration of the first stage of the Aswan Dam to call attention to the broad community of views between Moscow and one of the leading countries in the neutralist world. In his speeches in Egypt, he also stressed the USSR's support for developing countries, and its position as an Asian nation--themes which help counter recent Chinese efforts to discredit Soviet policies in the Afro-Asian world.

These speeches were addressed not only to his Egyptian listeners, but also to leaders of the underdeveloped countries of Africa and Asia. Soviet-Egyptian relations have settled into a pattern in which each country respects the interests of the other since cooperation serves the interests of both. Aid to Egypt, and particularly for the Aswan Dam, enables Moscow both to demonstrate its economic and technical resources and to counter Chinese charges of indifference to the needs of "national liberation movements."

The closing communiqué, like Khrushchev's speeches, dwelt almost wholly on areas of agreement, such as opposing foreign bases in the Middle East and favoring the end of colonialism in the Middle East and Africa. The communiqué appeared to give at least indirect Egyptian support to Soviet participation in the forthcoming Afro-Asian conference.

The one discordant note was struck by Khrushchev's disparaging remarks on Arab unity in a speech emphasizing the need for unity on a class, rather than a racial basis. These remarks and the references to the USSR as an Asian power were largely directed against Chinese efforts to isolate the USSR from the Afro-Asian world on grounds that it is a white, European state. Thus in raising the divisive issue of Arab unity Khrushchev was pursuing the major purpose of his visit which was to demonstrate Soviet solidarity with revolutionary movements throughout the world as well as to emphasize the efficacy of Soviet aid in the liberation and development of Afro-Asian countries.

As a part of this effort, Moscow agreed to provide about \$280 million in new economic credits for Egypt's second five-year development plan which begins July 1965. This credit is expected to cover one fourth of the estimated foreign exchange costs of the plan. In addition, Moscow is committed to meet the foreign exchange costs for the second stage of construction of the Aswan Dam.

Soviet assistance will continue to be concentrated in heavy industry, particularly the metallurgical and electric power industries. According to the communiqué Moscow agreed to build a large steel complex, a heavy engineering works, and new thermal and hydroelectric power stations.

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The Communist World

AGRICULTURAL SITUATION IN COMMUNIST COUNTRIES

Agricultural prospects in the Communist world appeared to be relatively favorable as of early May. The USSR's grain crop will probably be average or better. Major factors, in addition to weather for the rest of the crop year, are how much damage was caused by fall drought and winterkill and how long spring sowing is delayed. In most of the European satellites, winter grain yields should be average, and spring planting has been nearly completed under satisfactory conditions. In Communist China, however, heavy spring rains have damaged winter crops and delayed spring planting. Cuba's sugar production will probably be too low to meet export commitments and domestic requirements.

Soil moisture conditions in the USSR are believed to be good to excellent for most of the important agricultural regions, and may help compensate for the delay in spring sowing. In the new lands areas there is about twice as much moisture in the soil as at this time last year. Throughout the country, the area to be sown to spring crops is somewhat less than last year, suggesting that damage from fall drought and winterkill was not as severe as in 1963-64, when over 10 percent of the winter grain area had to be reseeded.

Most of Eastern Europe can expect average yields of winter wheat and rye if normal weather persists through June. The exceptions are Rumania and Bulgaria; in these countries, soil moisture reserves are low, and spring crops also may be small unless rainfall is normal during the coming months.

Abnormally heavy rains continued over a large part of Communist China during April, adversely affecting winter crops and delaying spring planting in all areas except the south. Parts of the North China Plain, a major wheat area, have been flooded since August, and large portions of Hunan and Kiangsi provinces have been severely affected. Crop prospects in the important early-rice areas of South and Southwest China, however, are much improved over last year.

Conditions in North Korea are very favorable. In North Vietnam, prospects are that the rice and vegetable harvests will be better than the low levels of recent years.

Cuban sugar production in 1964 should at least equal the 3.8 million metric tons harvested last year. This will cover 1964 export commitments described by Castro on 1 May, but will leave nothing for local consumption, normally about 400,000 metric tons. Apparently, as was the case in 1963, Cuba overestimated its sugar crop at the time contracts were being concluded. However, recent Cuban actions in the international sugar market, including the purchase of 20,000 tons for delivery to Bulgaria and China, are attempts to prevent a further decline in world prices rather than indications of serious doubts about the anticipated harvest.

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Asia-Africa

COMMUNIST MILITARY PRESSURES CONTINUE IN LAOS

The Communists in Laos have continued to press against neutralist positions north and west of the Plaine des Jarres.

On 27 May, Pathet Lao forces captured Muong Kheung, a key neutralist outpost to the north of the Plaine. At the same time, they mounted a push west along Route 7 toward Muong Soui and drove defending neutralist elements from the strategic hill position at Phou Kout.

To the south and east of the Plaine, Communist forces are continuing clearing operations against Meo hill positions. Recent moves against these guerrilla units have centered in the regions west of Ban Ta Viang and north of Muong Moc.

In the Pak Sane area, Laotian Army forces reportedly are pressing north along Route 4 against only "light resistance" from the Pathet Lao. Army officers on 25 May indicated that enemy forces--once within 20 miles of Pak Sane--were withdrawing to the north and were located about 35 miles from that regional headquarters. There are reports, however, of a Communist move toward the Mekong along the Nam Ca Dinh River about 20 miles to the east of Pak Sane.

Right-wing and neutralist forces reportedly are planning a major move against Communist strongpoints in the Muong Kassy - Phou Khoun area north of Vang

Vieng. The attack was scheduled to get under way on 25 May, but was delayed because of logistical difficulties. Such an attack--against a region which has been under Communist control since before the Geneva Accords--could provoke a sharp Communist counter-move.

The Laotian Air Force is stepping up its operations, flying numerous bombing missions against Pathet Lao road, truck, and troop targets. The Pathet Lao have protested these raids and promised that "the Laotian people will apply effective and appropriate measures to defend themselves."

Meanwhile, pressure is mounting for another full-scale international conference on the Laos question. Moscow quickly endorsed the French proposal for reconvening the Geneva Conference on Laos and has formally proposed to the UK, co-chairman with the USSR at Geneva, that they jointly call for another conference. Soviet leaders probably view such a conference as one of the few means open to them for influencing the Laotian situation.

Moscow's tactics at this juncture seem aimed at avoiding a crisis in East-West relations such as might arise out of a collapse of the Geneva settlement and an escalation of the fighting in Laos. Soviet officials appear to hope that the US will be reluctant to intervene

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Asia-Africa

more directly and will eventually accept a negotiated settlement.

In an apparent effort to influence US decisions, Soviet spokesmen have privately stressed the USSR's desire to prevent the Laos crisis from getting out of control. In Paris, Soviet Ambassador Vinogradov on 25 May strongly intimated that the USSR had no further interest in Laos and had in effect disengaged itself from the situation. He indicated to Ambassador Bohlen that the US should follow the same course.

Peiping's endorsement of a conference on Southeast Asian problems appears aimed at further isolating the US and rendering any direct US intervention in Laos more difficult to justify. In a letter to the Geneva co-chairmen on 26 May, Peiping proposed a meeting in Phnom Penh of foreign ministers from the 14 Geneva Conference participants. The conference would "first" dis-

cuss Laos, but it is clear that the Chinese hope to enlarge any talks to cover South Vietnam and Cambodia as well.

The British favor "consultations" in Vientiane rather than a full-scale conference, but they believe a conference may ultimately be necessary. They are likely, however, to support Premier Souvanna's demand that the Pathet Lao give up recent gains and accept a cease-fire prior to any conference.

In Vientiane, there are signs of mounting rightist dissatisfaction with Souvanna's coalition. Rightist leaders have called for "further improvements" in the government and for the withdrawal from Laos of the "useless" International Control Commission. One key figure expressed his opposition to another Geneva conference and called instead for military action against the Communists.

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Asia-Africa

SPLIT IN INDIAN COMMUNIST PARTY

The split within the Communist Party of India (CPI) continues to deepen. The anti-Soviet "leftists" advocate uncompromising opposition to the ruling Congress Party, while the pro-Soviet "rightists" would collaborate to some degree. Each CPI faction will hold an important national-level meeting in early June, at which time the lines of the split will probably become more pronounced.

Since the party suspended 32 leading "leftists" and "centrists" on 12 April, the militant "leftists"--who control 30 to 40 percent of the 160,000 members--have made steady progress in developing support within the party and setting up their own organizations in the 11 most important of India's 16 states.

Unlike the "rightists," whose politics are legal and conventional, the "leftists" tend to emphasize illegal and potentially insurrectionary activities. Although not under Chinese Communist direction, many have a strong pro-Chinese ideological bias.

Many CPI leaders are willing to see the split become final, but no one is eager to accept the responsibility for formalizing it. The decision of a small but prestigious group of still uncommitted centrists who now oppose a formal split may determine whether the "leftists" will succeed in establishing an effective organization. These centrists hope to keep the party together until the scheduled party congress in September.

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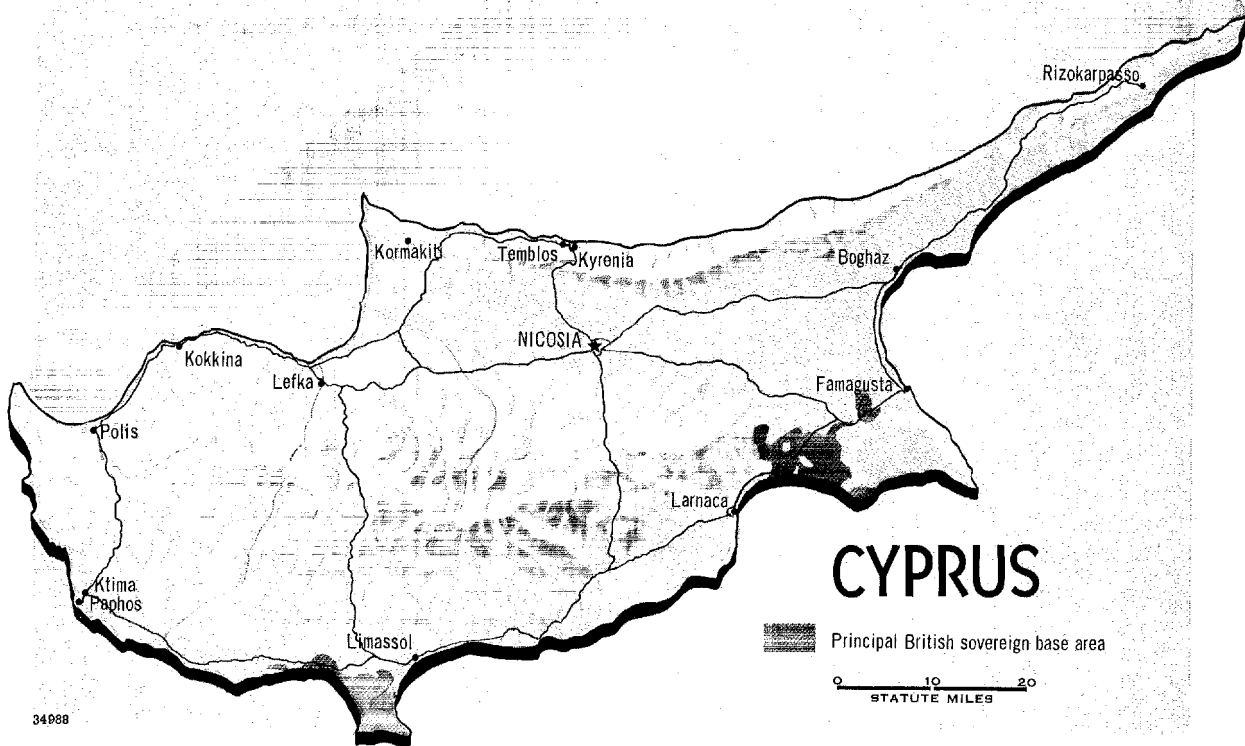
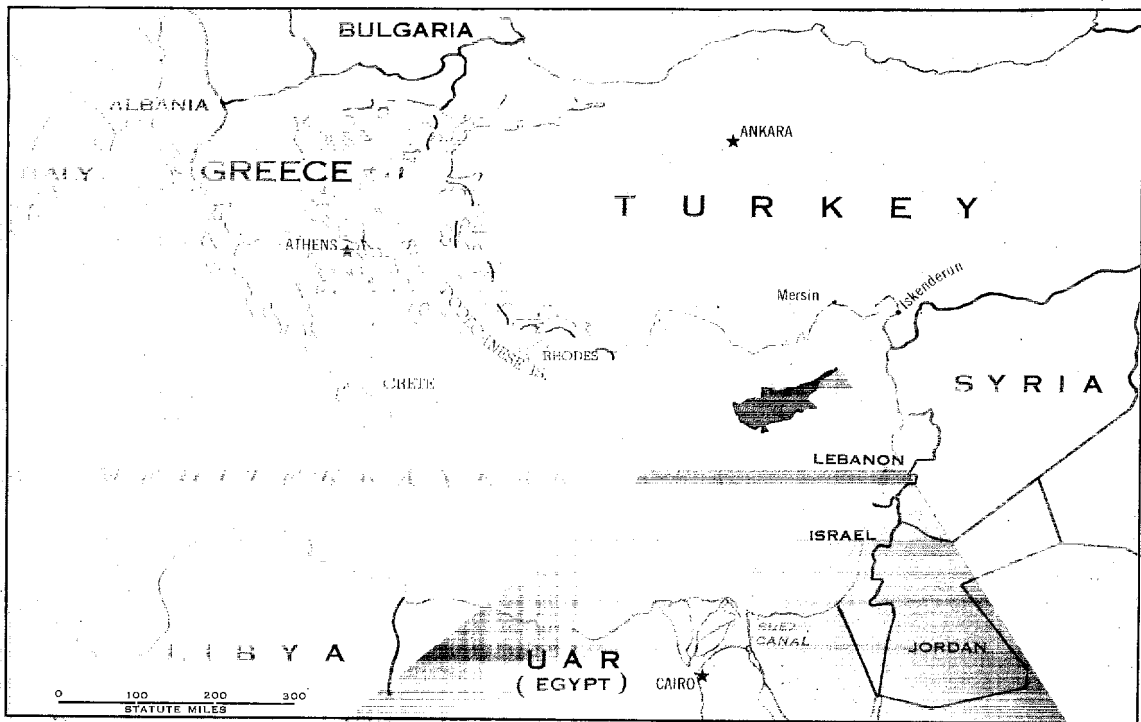
NOTE

The death of Nehru opens a transition period in Indian affairs that may revive long-dormant tensions. However, his physical decline had been evident for some time even before his first stroke last January, and moves were under way to adjust responsibilities within

the Congress Party.

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Asia-Africa

ARMS STOCKPILING PORTENDS NEW OUTBREAKS ON CYPRUS

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[Redacted]

The Greek Cypriots on 22 May transported 51 truckloads of small arms from the port of Limassol to Nicosia, according to General Gyani, commander of the UN forces in Cyprus. The US ambassador assumes these are Soviet arms, shipped via the UAR.

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[Redacted]

Gyani and UN political adviser Galo Plaza both claim that unless their powers are strengthened to permit them to prevent new arms from entering Cyprus, the situation will become "well-nigh hopeless." Galo Plaza is in New York reporting to Secretary General Thant and presumably will urge him to request the additional authority from the

Security Council. The council is to meet in June to consider extending the original three-month mandate for the UN Force.

A new split meanwhile appears to be developing within the Greek Cypriot leadership over plans to conscript a 25,000-man national guard. Makarios has insisted that the conscription bill also authorize private individuals to maintain their own armed groups. This move is opposed by Minister of Interior Georkatzis, national guard commander Karagiannis, former underground leader Grivas in Athens, and by the Greek Government. All had approved conscription rather than voluntary recruitment, believing this would be a way to establish centralized anti-Communist control over the various Greek Cypriot armed groups.

Makarios probably looks to certain private armed bands to prevent a threat to his position from developing within the Greek Cypriot community. One group he apparently would rely on is the 600-man force of Communists and leftists armed and controlled by his close associate, Vasos Lyssarides.

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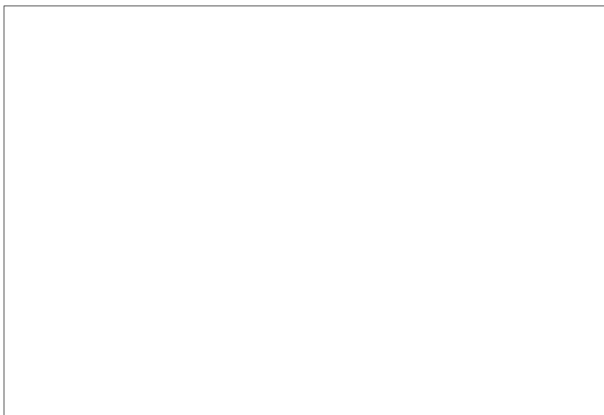
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Asia-Africa

ALGERIAN REGIME FACES GROWING DISSATISFACTION

Algerian President Ahmed Ben Bella, lionized during his three-week visit to the USSR, Bulgaria, and Czechoslovakia, returned home last week to face growing dissatisfaction with his regime's domestic accomplishments.

Despite frantic efforts of the National Liberation Front (FLN) to give him an enthusiastic welcome, his reception in Algiers on 17 May was apathetic. A major football contest proved a superior drawing card, and welcoming crowds consisted largely of scattered groups of women and children. Ben Bella's popularity has eroded as grumbling has increased over massive unemployment--nearly half of the country's labor force of 3 million.



Action might be taken to oust Ben Bella, but several factors militate against any immediate move. One major dif-

ficulty is the divergence of interests and outlooks among his principal opponents. Even if some moved soon, they probably would not have broad support or be well coordinated with other groups.

Ben Bella is a shrewd politician, aware of his opposition's potential. During the recent FLN congress he undermined his foes and gained the unanimous support of the more than 1,500 delegates. He disarmed some of his potential enemies in the Algerian Army by assuring that a number of officers were selected for the party's central committee and political bureau. Within his group he achieved an uneasy balance among the pro- and anti-Boumedienne factions. Although Boumedienne is probably his chief eventual rival, both men need each other at the present time.

This political infighting is eroding Ben Bella's position, however, because it leads him to postpone action on Algeria's pressing economic problems, thereby compounding popular dissatisfaction. Ben Bella's failure to reorganize his government as expected after the FLN congress is an indication of his inability to move decisively at the present time.

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Asia-Africa

NIGERIAN POLITICS REMAIN TURBULENT

Nigeria is still embroiled in a bitter controversy touched off by the release last February of the results of a politically important census. The Eastern Region now has sought a court order to restrain the federal government from using the census to allocate seats in the national legislature for the elections due this year. This move may re-inflame passions and could delay the elections.

According to the new census, the Northern Region still has over 50 percent of the country's population and thus remains entitled to a majority of seats in the federal parliament. Northern leaders therefore maintain that the census issue is closed and have violently denounced the Eastern Region government's move to the courts. Eastern Region Premier Okpara, however, claims that the North inflated its figures. He has implied that his party, the National Convention of Nigerian Citizens (NCNC), might boycott the federal elections if the census is used to delimit constituencies. The leadership of the NCNC, which is junior partner in the present federal coalition government, had counted on the new population count to break the hold of the conservative Northern People's Congress (NPC) over the federal machinery.

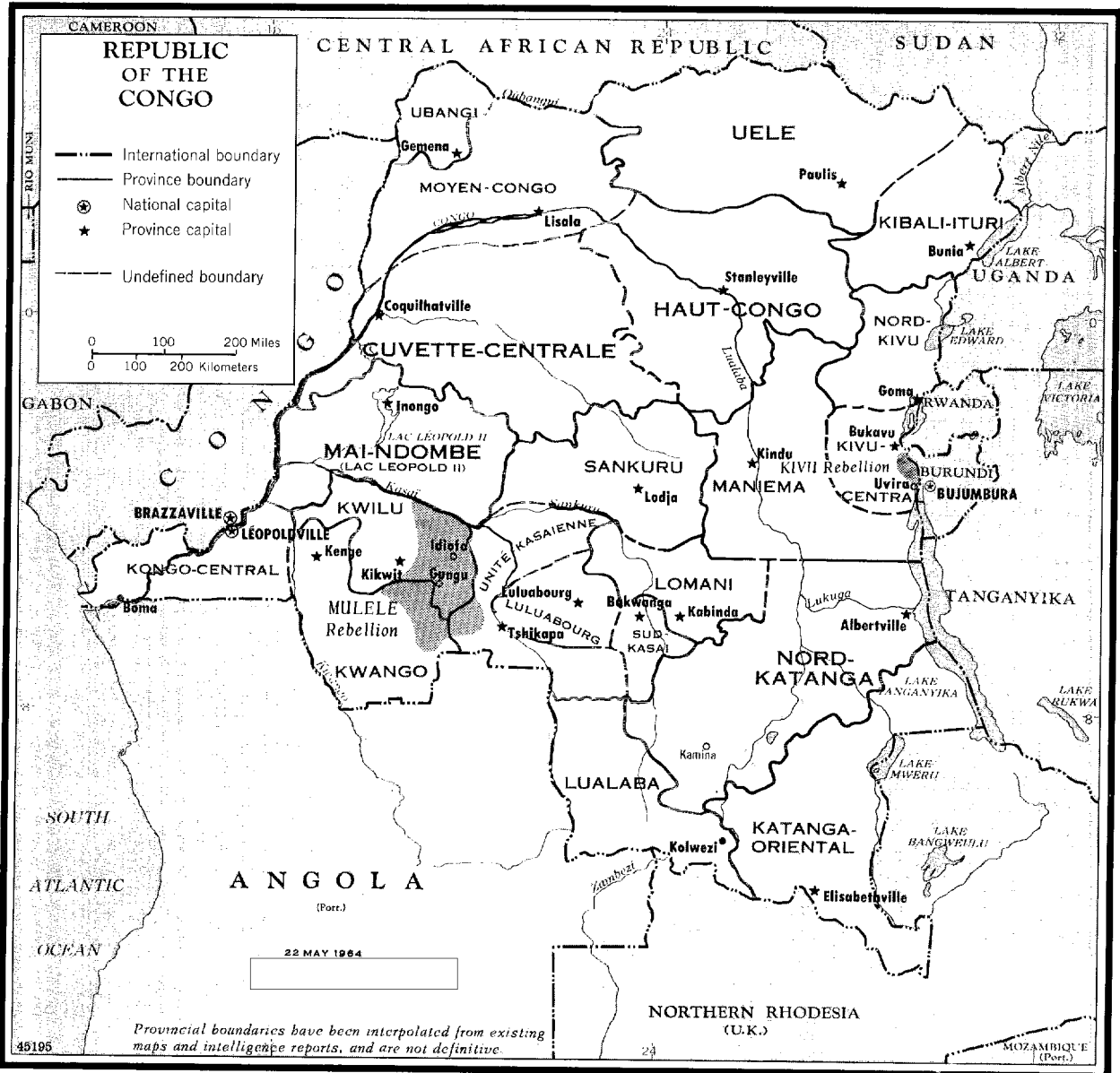
The dispute over the census has increased the tension which has always existed between the NPC and the NCNC despite their uneasy alliance, and it now appears that the governing coalition may come apart.

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Meanwhile, there are indications that Nigeria's trade unions may again press the government to recommend higher wages. After a successful general strike last September, a wage review commission was established and has submitted its report to the government. The unions are demanding publication of the report, which is believed to favor their demands. Some of the unionists charge that the government is "revising" the report, and they threaten action if its release is delayed much longer.

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Asia-Africa

CONGO SECURITY SITUATION DETERIORATING AGAIN

The situation in the Kivu region of the eastern Congo has rapidly deteriorated in the last two weeks, but may improve temporarily if UN troops arrive.

Congo National Army (ANC) units in the province of Kivu Central are for the most part leaderless, disorganized, and unwilling to engage the rebels.



The rebels, who until recently have been primitively armed, now have captured a considerable quantity of modern rifles and automatic weapons from government soldiers, and have seized vehicles from Europeans in the area.

On 25 May Premier Adoula asked UN officials to send UN troops, principally Nigerians, to Kivu.



the premier may be having second thoughts. His apparent hesitancy probably reflects army chief General Mobutu's well-known aversion to calling on the UN for assistance. If the Nigerians are sent, they would probably be able to save the

principal city, Bukavu, which is not yet directly threatened by the insurgents.

Other UN troops in the Congo are in the process of a withdrawal scheduled to be completed by 6 June. The single battalion of Nigerians will probably stay at least until the end of June, and possibly afterward if the Congolese and Nigerian governments can reach a bilateral agreement.

The inept performance of the ANC in Kivu and the sight of departing UN soldiers appear to be encouraging potential insurgents in other areas of the Congo.

The ANC has almost no more effective manpower upon which it can draw to combat new outbreaks. Reserves in Katanga have already been used up, partly to reinforce Kivu, and partly to shore up government forces in Kwilu, where the six-month-old Mulele rebellion continues to smolder. Some relatively good troops are still available in Stanleyville and Leopoldville, but any substantial movement of "elite" troops out of garrison would endanger the security of these cities.



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Europe

THE ITALIAN SOCIALISTS AND THE CHINA-RECOGNITION ISSUE

Senator Paolo Vittorelli, the Italian Socialist Party's (PSI) principal foreign affairs expert, now is visiting Communist China in a move intended to reinforce that party's position in relation to the political left. It may, however, have an unsettling effect on domestic politics by reopening the question of Italian recognition of Peiping.

Vittorelli's week-long trip is intended to counter criticism leveled against his party's China policy by the Italian Communist Party and by the dissident Socialists (PSIUP). The PSI became vulnerable to such attacks in February when it closed ranks with its coalition partners in the center-left government to defeat a PSIUP parliamentary motion calling for early recognition. This was done despite the fact that the PSI has long favored recognizing Peiping.

The PSI probably has no illusions that Vittorelli's trip will make any significant impression on Chinese policies toward Italy and the West. The party nevertheless feels that the initiative will provide useful "first-hand knowledge" in justifying to its members its future policy on recognition. The PSI also thinks the trip

will blunt Communist and PSIUP attacks against the party on this issue as well as perhaps deepen the internal divisions in the Communist Party caused by the Sino-Soviet split.

Although the government holds that Vittorelli's trip is solely a PSI venture, Foreign Minister Saragat has commented that such "exploratory" visits by individuals might be useful so long as the government is not involved. Other coalition leaders probably approve the visit as a means of strengthening the PSI against the Communists and the PSIUP.

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The government can be expected to stand its ground should Vittorelli's visit set off a political debate leading to renewed pressures for recognition. In such a debate, however, the government would not only be attacked by the opposition parties of both the left and the right, but the situation would also be exploited by elements within the coalition framework who have never been sympathetic to the center-left formula.

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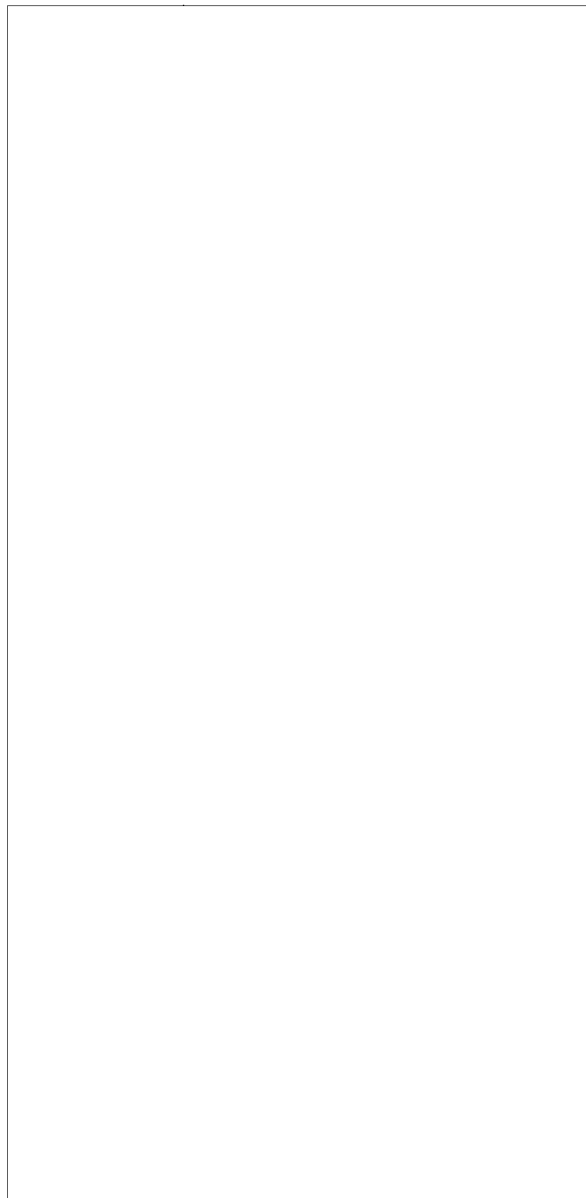
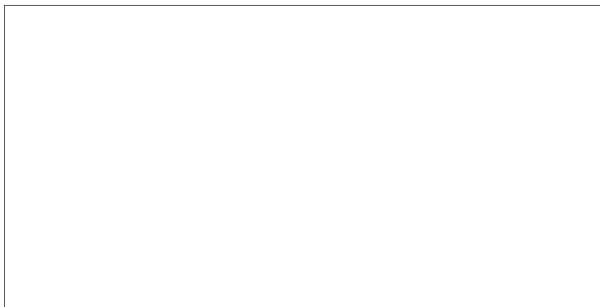
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Europe

STATUS OF THE MULTILATERAL FORCE DISCUSSIONS

The eight nations participating in the current multilateral force (MLF) discussions in Paris are proceeding with their consideration of the main issues involved in drawing up a charter for the force, which the US hopes will be ready for signature by the end of the year. By that time Britain's elections will be over, yet sufficient time would remain to get the measure through West Germany's parliament before that country's elections in 1965. Still unresolved, however, is the basic question of how the political decision will be taken to fire the MLF's weapons.

Members of the group are also considering how best to handle a new UK proposal that the multilateral principle be extended to land-based and air-borne nuclear deterrents. The British assert that their suggestion--applicable to the TSR-2 or TFX aircraft as well as the Pershing and other land-based missiles--is intended for parallel study and not as a substitute for the seaborne Polaris force.



The political situation in Italy is uncertain.

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Europe

Foreign Minister Saragat told Ambassador Reinhardt last week that both he and Prime Minister Moro favored the proposed schedule, but he recommended that the question of the government's ability to meet it be referred to Moro. Saragat is presumably uncertain as to the reaction of the Socialists, who have moved from support to opposition of the MLF. The uncertainty lies in whether the Socialist Party, as a member of the government coalition, will find it politically feasible to support the project when the time comes to sign.

Meanwhile, the North Atlantic Council (NAC) has submitted to NATO members for adoption a newly drafted agreement on the exchange of nuclear weapons information. This agreement, another part of the effort to broaden participation in NATO's nuclear deterrent, establishes machinery by which

the US can disseminate more types of nuclear information than it has in the past, to a larger number of recipients. Most of the Allies will probably welcome the agreement, although they are likely to entertain reservations on how quickly or completely it will be implemented.

Discussions on the new arrangement began last summer but were delayed when France objected to giving Secretary General Stikker extensive powers over security clearances. The French also objected to phrasing which described a bilateral US-NATO arrangement and called instead for wording which would provide for the exchange of information by all members. Early last month, the French agreed to language placing the Secretary General's security functions under the authority of the NAC, and withdrew their other objection.

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ELECTION NOTE

Luxembourg: National elections set for 7 June may result in a new line-up in the government, presently a two-party coalition of the Christian Socialists and the right-wing, anticlerical Democratic Party.

[redacted] voting trends over the past several years indicate that the Socialists will pick up enough seats in parliament to force their inclusion in the government.

In the present parliament elected in 1959, the Christian

Socialists hold 21 seats, the Democrats 11, and the Socialists 17. Three others belong to the Communists, who polled 9 percent of the vote, a fairly large bloc by West European standards outside of France and Italy.

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A government including the Socialists would not change Luxembourg's foreign policy in general but would be likely to reverse the rising trend of American business investment.

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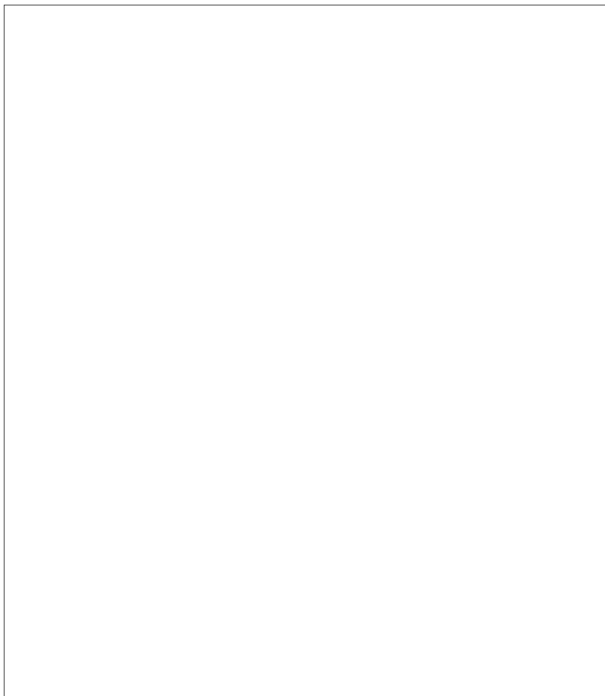
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Western Hemisphere

CUBA STILL PUSHING CAMPAIGN AGAINST US OVERFLIGHTS

The Cubans intend to maintain and probably to expand their diplomatic and propaganda offensive against the US in the coming months, but apparently do not expect a solution to the overflight issue until after the US presidential election.

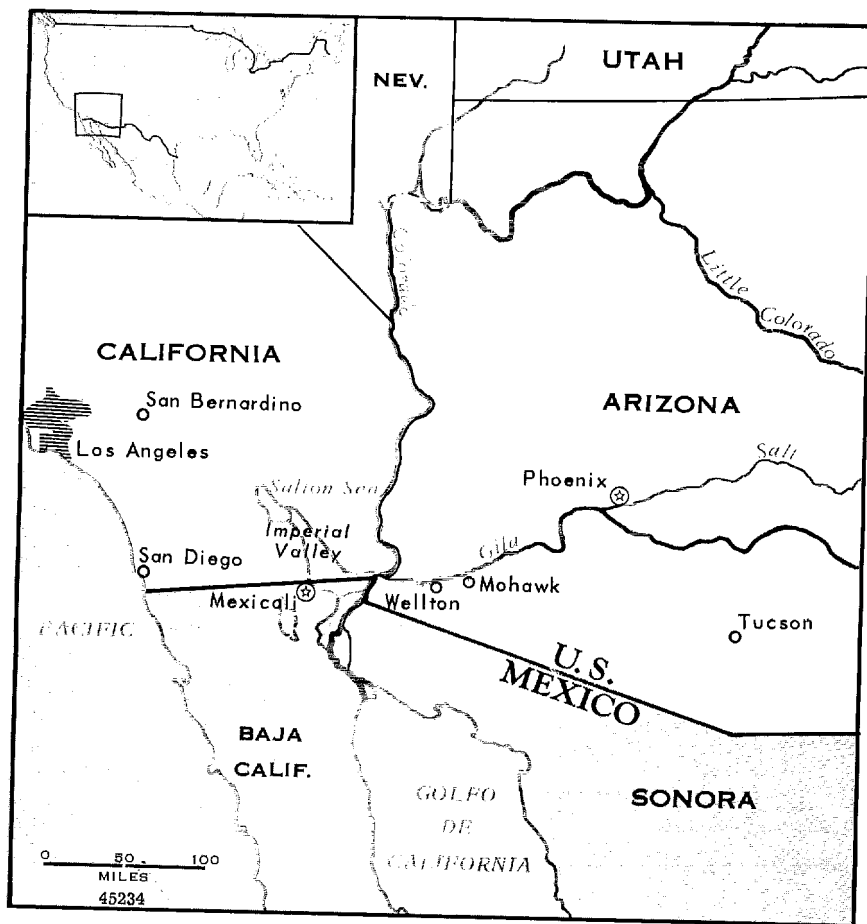


Meanwhile, high-altitude photography [redacted] suggests the first signs of relaxation in Cuba's two-week-old military alert, the most extensive since the missile crisis. Raul Castro explained in a speech of 22 May that the alert measures had been dictated by US "military moves" and Cuban exile activities that could presage an all-out US attack on Cuba.



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Western Hemisphere

MEXICO AND THE COLORADO RIVER SALINITY PROBLEM

Resentment is rising rapidly in Mexico over the unresolved problem of the Colorado River's salinity, which has been causing ever-increasing damage to Mexican crops and agricultural land. The Mexicans are particularly vexed by the notion that there is no solution in sight.

The salinity problem is due mainly to the backwash from irrigation and to the flushing out of underground salt deposits in the Welton-Mohawk area of southwestern Arizona. Water used for these purposes is pumped into the Gila River, which, in turn, flows into the Colorado, raising its salt content to unusually high levels.

Since 1961, when the matter became a major issue between Mexico and the US, the Mexican Government has sought to keep the lid on outbursts of anti-US sentiment over this issue. A recent series of public protests, however, suggests that the government now sees little hope for an early resolution of the problem, and hence is less concerned about keeping the people in line. The US ambassador is concerned that there may be worse outbreaks in the immediate future as tensions are rising in the current political campaign.

Recent advertisements in Mexico City dailies have been highly critical of the US on

the salinity problem, and have called for immediate action to alleviate it. Moreover, residents of the Mexicali Valley, who are directly affected by the damaging water, are showing themselves to be susceptible to leftist agitators.

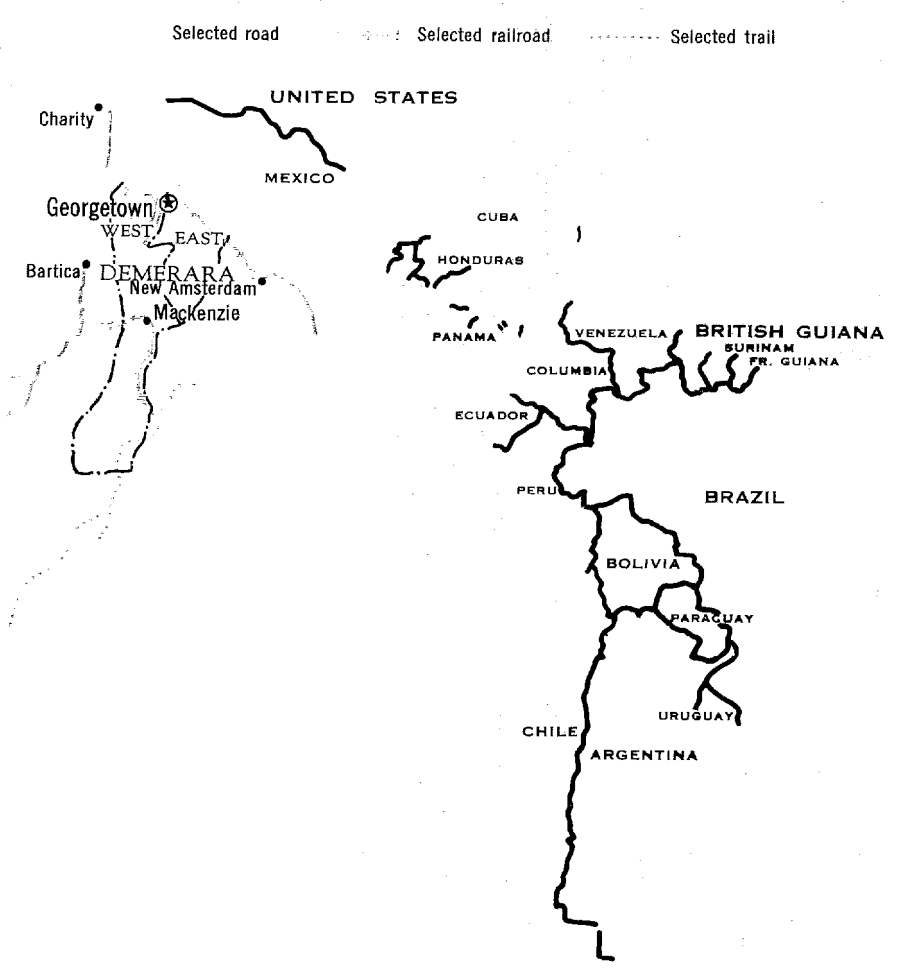
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The US consul in Mexicali reports that the Committee for the Defense of the Mexicali Valley--in which the CCI is gaining increasing influence--staged an hour-long protest demonstration in front of the consulate on 14 May. About 400 persons consisting of farmers, teachers, bankers, merchants, and members of the Baja California state legislature participated. The demonstrators have promised weekly protests until their grievances are met.

Latest reports from the valley indicate that the CCI recently has been pressuring the defense committee to call for a general strike aimed at forcing the government to seek an immediate solution.

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Western Hemisphere

RACIAL VIOLENCE IN BRITISH GUIANA

Racial violence between British Guiana's Negro and East Indian communities is spreading despite the declaration of a state of emergency and the deployment of British troops to trouble spots. More than 25 persons have been killed so far, and property damage probably exceeds \$3 million.

Terrorism and arson continued on the coast east and west of Georgetown last week end, and new disturbances erupted in the Mackenzie area 60 miles upriver from the capital on Monday. Several persons were killed and numerous houses destroyed in that overwhelmingly Negro area before a platoon of British troops was flown in and several hundred East Indians evacuated.

British troops now are patrolling in Georgetown and have replaced the police in the West Demerara region. The arrival of an additional company on 24 May raised the total number of British troops deployed in the colony to 716. Some 400 more troops are stand-

ing by on 24-hour alert in Northern Ireland.

More violence seems likely, however, because of the limited nature of the emergency regulations. Unlike those which followed previous disturbances, the governor does not have the power to detain or restrict persons without warrant, so that terrorists in the governing party's youth organization can continue to move about freely. Other provisions will enable the government to favor its East Indian 25X1 supporters.

[REDACTED] it is unclear how sincerely the Jagan government is cooperating to maintain security. Indeed, the party may have provoked the Mackenzie riots as well as the violence in the sugar-cane areas--all of which tends to solidify East Indians behind Jagan on racial grounds. Electoral registration has been proceeding well even in the strife-torn West Demerara region, however. [REDACTED]

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Western Hemisphere

INTERIM STATUS REPORT ON BRAZILIAN REVOLUTION

Brazil's new leaders assert that their ouster of the Goulart regime in April ushered in a revolution, and was not merely a military coup d'etat. The Castello Branco government's sweeping reform program lends credibility to this claim.

The initial assessment by top US officials in Brazil is that the revolution's chances of success are reasonably good. They believe the government can work toward its main goals-- economic stability, honesty and efficiency in government, and a drastic reduction of Communist influence--without becoming authoritarian. They also look for the government to keep up its momentum in implementing its program.

To a large degree, however, success of the revolution will depend on President Castello Branco's ability to continue guiding it along the moderate course he has chosen so far. Rumblings of dissent from some military and civilian elements already indicate this will be difficult.

A leading controversial question centers on the problem of how thoroughly the federal, state, and local governments should be purged of officeholders tainted by corruption or leftist sympathies. The administration seems anxious to keep the purge

from getting out of hand. There are, for example, indications that Governor Mauro Borges of the state of Goias, for some time under the threat of removal by military officials for refusing to replace certain members of his administration, may yet retain his office. Also, an official of the president's own military staff was fired recently for issuing an unauthorized public protest against a Rio newspaper editorial urging moderation in the Borges matter.

Another problem centers around the presidential election now set for October 1965. While no decision appears near, the government is showing growing sensitivity to charges that it is a military dictatorship. The military reportedly is adamant that presidential candidate and former president Juscelino Kubitschek-- whom it regards as anathema to the ideals of the revolution-- somehow be barred from the presidency.

It is still too early to evaluate the regime's performance in introducing economic and social reform, but there seems to be no lack of determination to move ahead with a wide range of legislative projects in all these fields. Preliminary indications suggest that the government is approaching the country's problems in these areas more realistically than its predecessors.

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Western Hemisphere

ELECTION NOTES

Guatemala: The election of an 80-member constituent assembly was held on schedule last Sunday, but there was little enthusiasm for choosing between two parties that ran identical slates of government-approved candidates. Although the two parties--the Revolutionary Party (PR) and the National Liberation Movement (MLN)--actively campaigned and the government issued reminders that abstention is illegal, only about 50 percent of the voters cast ballots. Also, excluded opposition groups were success-

ful in their call for voters to void their ballots in protest against the government's policy of "guided democracy"; early returns showed that over one third of the ballots had been spoiled.

Preliminary returns indicate that the MLN has captured a substantially larger portion of the vote, a victory which 25X1 presumably will give its candidate an advantage in a future presidential election.

Bolivia: President Paz Estenssoro's opponents are making a last-ditch effort to force postponement of Sunday's national elections. President Paz, however, remains confident of his political strength and is refusing to yield to their demands.

candidates from the presidential and vice-presidential race, and are urging their followers to boycott the polls. Opposition leaders, frustrated by their inability to prevent Paz' re-election, now may turn to armed insurrection

All the major opposition parties have withdrawn their

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