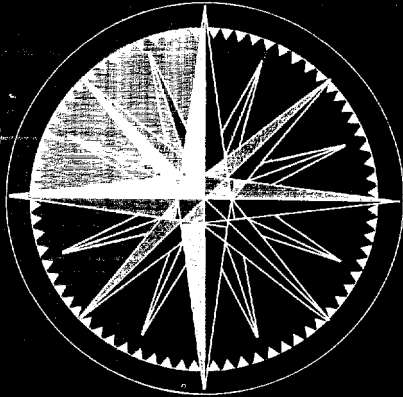


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12 June 1964

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State Dept. review completed

# WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE



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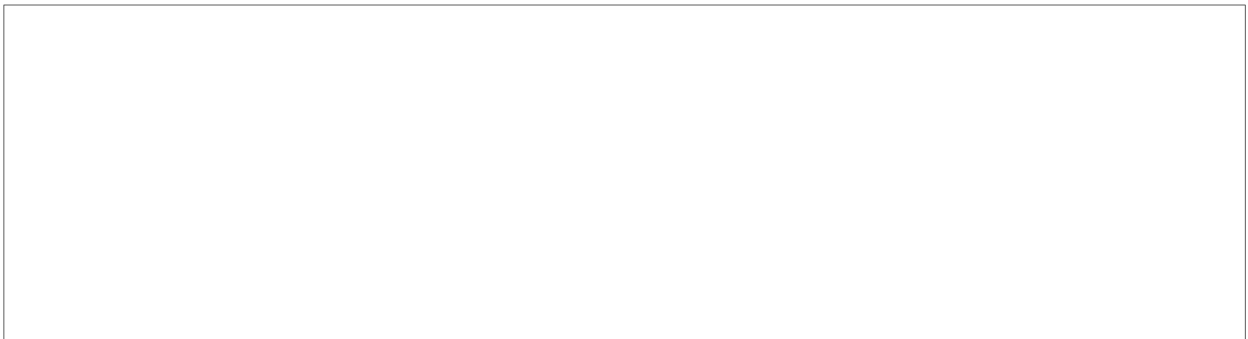
C O N T E N T S

(Information as of 1200 EDT, 11 June 1964)

THE COMMUNIST WORLD

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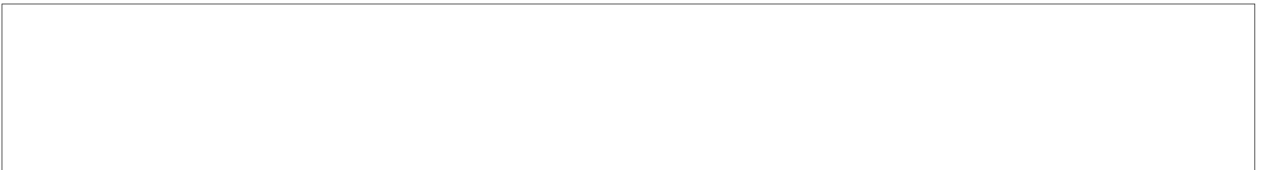
- MOSCOW INTENSIFIES EFFORTS TO DISCREDIT PEIPING'S POLICIES 1  
Soviet leaders seem to believe that by building a convincing public record of Chinese intransigence and obstructionism they can eventually overcome opposition in many foreign parties to a world Communist conference.
- NEW EVIDENCE OF SOVIET-YUGOSLAV MILITARY COLLABORATION 2  
Yugoslavia reportedly will soon buy "liberal quantities" of Soviet military equipment. Yugoslav officials deny that these purchases signify agreement on matters other than procurement.



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- THE CULT OF MAO TSE-TUNG INTENSIFIES 3  
While reverence for Mao's works is not new in China, this year's campaign goes to unprecedented lengths and brings the cult of his personality close to the sycophancy around Stalin during his last years.

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ASIA-AFRICA

- THE LAOS SITUATION 5  
Neutralist military forces suffered setbacks this week, and elements of all three Laotian factions are criticizing Souvanna's performance as premier. Meanwhile, diplomatic maneuvering over Laos centers on the question of a proper forum for international negotiations.

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INDIA'S NEW CABINET UNDER SHASTRI The key portfolios of defense, home, and finance remain with the incumbents. A select inner cabinet will probably make most major decisions.	6
PROSPECT OF NEW SOVIET AID TO IRAQ Current talks probably will lead to a major new arms deal, and Moscow may also offer to participate in new economic aid projects. No appreciable improvement in political relations is likely, however.	7
ELECTION NOTE On Turkey	8
TURKISH INTERVENTION ON CYPRUS DEFERRED Turkish troops, however, are still ready to invade--a posture the Greek Cypriots have been citing as cause for an urgent UN Security Council meeting. On Cyprus, both sides are maneuvering for strategic advantage.	9
GENERAL STRIKE AGITATES NIGERIA The strike has put new strains on the federal government coalition, whose members are already at odds over last year's controversial census.	10
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EUROPE

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EEC COUNCIL OF MINISTERS MEETING

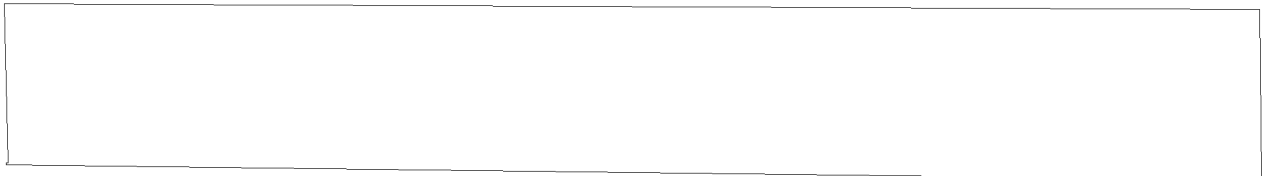
12

German intransigence forced the Council at last week's meeting to postpone until December further consideration of unifying Community grain prices. The ministers did decide to open talks with Spain and Nigeria looking toward some form of association with the EEC.



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ITALIAN GOVERNMENT AVOIDS CRISIS

13

While chances appear fairly good that the center-left coalition will hold together over the next few months, it will be under severe pressures from many quarters.



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BRITISH LABOR PARTY GAINS

14

Party leader Wilson enhanced his own image as Britain's next prime minister by his consultations with Khrushchev in Moscow last week, and the latest by-election and opinion polls show that Labor continues to please the voters.

ELECTION NOTE

14

On Luxembourg

WESTERN HEMISPHERE

CUBAN MILITARY DEVELOPMENTS

15

Five Soviet passenger ships carrying 1,500 persons have left Cuba since the first of May. All four surface-to-air missile installations evacuated in late May have been relocated.

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<u>WESTERN HEMISPHERE (continued)</u>	<u>Page</u>
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<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	25X1
TENSION IN ARGENTINA AS LABOR AGITATION CONTINUES Despite government concessions, the Peronist-dominated labor confederation has announced the continuation of its "battle plan" to back up its wide-ranging political and economic demands.	16
BRAZIL'S EX-PRESIDENT KUBITSCHER LOSES POLITICAL RIGHTS While the government's relations with Kubitschek's large political party have been put under some strain, President Castello Branco has strengthened his position among military leaders, who feared Kubitschek's re-election might restore corruption and Communist influence.	16
COLOMBIAN GOVERNMENT MOVES AGAINST COMMUNIST ENCLAVE The army action has met only light resistance in the Marquetalia enclave thus far, but the Communists are protesting the cleanup campaign by terror bombings in major cities.	17

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The Communist World

**MOSCOW INTENSIFIES EFFORTS TO DISCREDIT PEIPING'S POLICIES**

Over the past few weeks, the USSR has increased its efforts to create the impression that the majority of Communist parties endorse its denunciation of Communist China's "splitting" activities within the world Communist movement. It seems to believe that by building a convincing public record of Chinese intransigence and obstructionism it can eventually overcome the opposition of many of the parties to an international Communist conference.

In a 3 June Izvestia editorial, Moscow leveled a blistering attack against the Chinese and warned them of the dangers of not consulting with the Soviet Union on major political and economic policies. The editorial maintained that Peiping now is openly voicing its contempt for treaties concluded with "fraternal countries." It implied that the Chinese no longer abide by the provision in the 1950 Sino-Soviet treaty of alliance that they will give the Soviet Union information on questions of foreign policy. Izvestia contrasted this alleged growing trend toward isolation with the "regular consultations" undertaken by members of the Warsaw Pact on all important international problems.

The editorial also condemned Peiping's failure to coordinate economic policies with other Communist countries. This accusation, which by implication was also directed at the Ru-

manians, was buttressed in a 4 June Izvestia article which labeled as "absolutely impermissible the uncoordinated steps of some members" of the "socialist camp" in foreign trade.

Pravda, too, has dramatized Peiping's subversive activities. It lashed out at the Chinese withdrawal from the bloc's theoretical journal, Problems of Peace and Socialism, and criticized Peiping's new journal, Revolution. Other articles have made a serious effort to prove that the Chinese are "fractionists" and are providing political direction to anti-Soviet Communist party factions throughout the world. Pravda went on to claim that a "majority of all parties from all areas of the world now want a world Communist conference as soon as possible."

The extensive bilateral consultations Soviet leaders have held over the past two weeks with high-level representatives from East Germany, Rumania, Bulgaria, and Yugoslavia suggest that Moscow is concerned over the lack of unified Eastern European support of its tactics against the Chinese. A senior Finnish Foreign Ministry official told the US Embassy that on the basis of Tito's remarks during his state visit to Finland, the "sole purpose" of his Leningrad meeting with Khrushchev was to discuss tactics to be pursued in the dispute.

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The Communist World

NEW EVIDENCE OF SOVIET-YUGOSLAV MILITARY COLLABORATION

Reports that Yugoslavia will soon buy "liberal quantities" of Soviet military equipment on long-term credit add to the growing evidence of closer Soviet-Yugoslav cooperation in military affairs. Yugoslav Defense Secretary Gosnjak and others deny, however, that these purchases signify agreement on matters other than procurement, and state that Yugoslavia has turned to the Soviets because equipment is not available from the West.

The types of arms to be purchased have not been publicly specified

Yugoslavia already has at least 21 MIG-21s, as well as SU-100 self-propelled guns and T-54 tanks, and at least 14 surface-to-air missiles, 18 self-propelled twin anti-aircraft guns, and 12 clusters of Snapper antitank missiles.

Yugoslav-Soviet cooperation is also evidenced by the scheduling of an official Soviet naval visit to Yugoslav ports from 18 to 25 June. This is the first such visit since October 1957.

In addition, Soviet Defense Minister Malinovsky recently spent a week in Yugoslavia. Although the specific topics discussed are unknown, his delegation included the chief of naval intelligence, the leading military aid official on the General Staff, and a leading surface-to-air missile expert.

Yugoslavia will probably stop short of jeopardizing its relations with the West by any such obvious move as a full re-equipment program using Soviet arms. However, the USSR will probably seek to translate its position as Yugoslavia's major military supplier into some form of military or political gain.

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## ADULATION OF MAO TSE-TUNG IN THE CHINESE COMMUNIST PRESS

"Revered and beloved Chairman Mao. Chairman Mao, everyday I wish, and very month I hope, to see you. I look at your picture several times a day and see your kindly face even in my dreams. How I long for it. When will I really see you?"

Diary of soldier hero Lei Feng, published April 1963

"I am a young sprout, the masses of the people are the soil for my growth; military leaders and the party branch are my gardeners; Mao Tse-tung's thinking nurtures my growth with dew and sunshine."

"Personal experience" published in Liberation Army Journal,  
5 March 1964

"The moon without the sun gives no light; young rice plants with no rainwater will wither. Without the study of the thought of Chairman Mao, even with your eyes open you miss the direction."

Peoples Daily, 26 March 1964.



Pictures like this one from 25 February People's Daily depicting a soldier reading from Mao's works, appear frequently in the Chinese press.

## SOVIET VIEW OF MAO

"One cannot be silent about the fact that Mao Tse-tung's personality cult is having a more and more negative influence on the activity of the Chinese Communist Party. For many years now, Chinese propaganda has been assuring everyone that Mao Tse-tung's ideas are the highest embodiment of Marxism-Leninism and that our epoch is the epoch of Mao Tse-tung."

It is quite clear now that the CCP leadership is trying to spread the cult of Mao Tse-tung's personality to the entire world Communist movement so that the CCP leader, like Stalin in his time, can be raised to the level of a god above all Marxist-Leninist parties and can determine according to his own will all the questions of their policy and activities."

Suslov speech to the February Soviet central committee plenum,  
published 3 April 1964

## ... INDIGNANT CHINESE REACTION

"The thinking of Mao Tse-tung is welcomed by revolutionary people everywhere, for they derive a revolutionary weapon from the experience of the Chinese revolution and from the Marxist-Leninist works of Comrade Mao Tse-tung. This is a very good thing, and only the imperialists and reactionaries are unhappy about it. In their vain effort to vilify Comrade Mao Tse-tung and his ideas, the Leaders of the Soviet party are like ants trying to shake a huge tree, ridiculously overrating themselves."

Peoples Daily, 27 April 1964

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The Communist World

THE CULT OF MAO TSE-TUNG INTENSIFIES

The people of Communist China, from housewives to government officials, are now under strong pressure to spend several hours every week studying Mao Tse-tung's writings for spiritual guidance. While reverence for Mao's works is nothing new in China, this year's unprecedented campaign and Mao's increasingly imperious public behavior have brought the cult of his personality to a level which approaches the sycophancy around Stalin during his last years.

The cult of Mao, although practiced mainly for domestic reasons, serves external purposes also. Peiping bases much of its claim for ideological leadership of the world Communist movement on its assertion that Mao is the world's greatest living Marxist theoretician. To Afro-Asians, Mao is presented as a symbol of anti-imperialism, and his increasingly frequent receptions for their representatives are conducted with much pomp and ceremony.

The drive to imbue people with "the thought of Mao" is apparently being undertaken in the belief that it will bolster the party's sagging prestige and increase the people's willingness to work hard for little material return. However, there are probably many pragmatic Chinese, including most scientists and technicians, who find it hard to swallow the demand that Mao's

writings be studied as if they were divine scripture.

The basic material used in the study campaign is The Selected Works of Mao Tse-tung, a four-volume collection of sermonizing essays with titles like "On Protracted War," "On Contradictions," and "On Practice." Written 15 to 30 years ago in a repetitious style and dogmatic manner, they abound in Maoist homilies: for example, "knowledge comes from experience" and--the most famous Maoism of all--"power grows from the barrel of a gun."

The "study Mao" campaign is highly organized. In 1963, activists were given three-month courses in directing "study Mao" sessions in factories. By March 1964, according to Peiping, the drive to learn from Mao was "sweeping the nation." In April the campaign was receiving intensive treatment in newspapers, radio, plays, study classes, and public speeches. Although the People's Daily on 26 March instructed party officials to be sure that participation was strictly "voluntary," such an injunction has little meaning in China, where social pressure for conformity is nearly overpowering.

The campaign emphasizes the application of Mao's precepts to daily personal and work problems. Persons who merely memorize Mao's writings are sternly criticized.

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The Communist World

Chinese newspapers are full of homely examples of people, such as a vegetable vendor and a telephone operator, who studied Mao and now work more efficiently. A soldier wavering in his decision to re-enlist was stirred by Mao's words, "the world can only be improved through the barrel of a gun," and promptly signed up for another tour. Workmen at a Shanghai shipyard who were having trouble fitting a steam engine into the hull of a fishing boat were said to have solved the problem after studying Mao's principle of "concentrating on the main contradictions."

Another story tells how a soldier absorbed in one of Mao's works did not even look up when his troop train passed through his native village, which he had not seen in many years. Everyone is urged to be like this soldier, and carry one of Mao's works with him at all times to read in leisure moments. And, according to Peiping, every house should have several conveniently placed sets of The Selected Works. Although some letup in intensity may occur, the drive to study Mao appears well entrenched and probably will be sustained so long as Mao is on the scene.

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Asia-Africa

**THE LAOS SITUATION**

Neutralist military forces in Laos suffered setbacks this week. Elements under Kong Le have withdrawn from positions at Muong Kheung, some ten miles north of the Plaine des Jarres, while Pathet Lao forces have apparently regained control of Phou Kout, a strategic hill guarding the approaches to the neutralist stronghold of Muong Soui, west of the Plaine.

In Vientiane, rightist elements appear more dissatisfied than ever with Souvanna Phouma's performance as premier. They have long distrusted the idea of a new Geneva conference, which he supports, and are critical of his recent statements opposing US overflights. General Phoumi has hinted that there is growing opposition to Souvanna within the government which could develop into another move against him. On 10 June Kong Le himself expressed frustration over Souvanna's failure to call for foreign aid in the face of the Communist advances. The neutralist commander told the press he wanted increased US support, specifically "more jet bombers and fighters to destroy all enemy positions." The Pathet Lao are also sharpening their criticism of Souvanna. They now call him a "traitor to Laos" who is beginning to "exterminate" the Laotian people.

Diplomatic maneuvering over Laos centers on the question of a proper forum for international negotiations. In a 6 June letter to the Chinese Communist foreign minister, Soviet Foreign

Minister Gromyko again indicated Moscow's agreement to a full 14-nation "Geneva" conference on Laos. He said that a 14-nation conference could be held in Cambodia, but added that all 14 signatories of the 1962 Geneva accords must agree to such a decision. The USSR has also endorsed the Polish proposal for six-power consultations, claiming that these would facilitate convening a larger conference later. However, Chinese and Pathet Lao insistence that only a 14-nation conference is competent to settle the Laos problem may increase Soviet caution in discussions with the UK on the Polish plan.

Peiping's latest official statement on Laos, broadcast on 9 June, reiterated its opposition to any negotiations short of a full Geneva-type conference, which would give the Chinese a voice in the proceedings. Peiping's displeasure with the Polish proposal, implied in its 26 May statement on Laos, was made more explicit. While Peiping stresses the seriousness of the situation in Southeast Asia, probably in an attempt to generate pressure against US intervention, it is apparently in no hurry to negotiate and foresees lengthy preliminary maneuvers before formal talks can start.

Although Souvanna has accepted the Polish proposal, he evidently favors a full-scale conference. He told the US ambassador on 6 June that he saw "potential failure" in the Polish plan because it leaves out the Chinese Communists.

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Asia-Africa

**NEW POLITICAL TURMOIL IN SOUTH KOREA**

Public disorders in South Korea have abated, but President Pak Chong-hui now probably faces a behind-the-scenes power struggle that could undermine his government.

To placate his critics, Pak has promised to eliminate government corruption and punish officials guilty of irregularities. He has gradually eased restrictions on public activities in Seoul, where martial law was declared on 3 June to halt student demonstrations. Some political observers fear, however, that Pak will prolong martial law to eliminate opponents of his regime.

The resignation of Pak's strong man, Kim Chong-pil, as chairman of the ruling Democratic-Republican Party (DRP) has eased the immediate pressure on Pak from Kim's enemies both in and out of the government. Kim has been the principal target of the student demonstrators, who are dissatisfied with their economic prospects and oppose a settlement normalizing relations

with Japan. The one student death caused by the demonstrations has not yet been picked up as a new cause.

Kim is still not completely eliminated from the political scene, however, and probably will attempt to retain behind-the-scenes control of the DRP apparatus. As a further complication, his apparent decline will touch off political infighting among other politicians hoping to replace him.

The role of senior general officers in forcing Kim's ouster has increased the influence of military figures in politics, where they have not been prominent since Pak re-established civilian government last December. If the situation worsens, senior commanders may rally to Pak's support as they did last year to prevent the collapse of the former military government. Some officers, however, might unite with politicians to weaken Pak's control or even force him out.

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**INDIA'S NEW CABINET UNDER SHASTRI**

Indian Prime Minister Lal Bahadur Shastri's new 16-member cabinet (see reverse of page) appointed this week, retains substantially the same moderate character and composition as its predecessor. The key portfolios of defense, home, and finance remain with their incumbents.

Shastri will supervise foreign affairs and atomic energy, as Nehru did.

The right and left extremes of the Congress Party, represented respectively by former finance minister Morarji Desai and by Krishna Menon and K.D. Malaviya,

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THE INDIAN CABINET  
(9 June 1964)

Portfolio	Minister	Age
Prime Minister, Minister of External Affairs, Chairman of Atomic Energy Commission	Lal Bahadur Shastri *	59
Minister of Home Affairs	Gulzarilal Nanda *	65
Minister of Finance	T. T. Krishnamachari	63
Minister of Information and Broadcasting	Indira Gandhi *	49
Minister of Industry, Engineering, and Technical Development	Sardar Swaran Singh	56
Minister of Railways	S. K. Patil *	63
Minister of Law and Communications	A. K. Sen	50
Minister of Defense	Y. B. Chavan *	50
Minister of Steel and Mines	Sanjiva Reddy *	51
Minister of Food and Agriculture	C. Subramaniam	54
Minister of Petroleum and Chemicals	Humayun Kabir	58
Minister of Parliamentary Affairs and Civil Aviation	Satyanarain Sinha	63
Minister of Irrigation and Power	H. C. Dasappa	69
Minister of Education	M. C. Chagla	63
Minister of Labor and Employment	D. Sanjivayya *	43
Minister of Rehabilitation	Mahavir Tyagi	64

Names in green identify ministers who were members of previous government.

Names followed by an asterisk identify ministers who are also on the all-powerful, 19-member Congress Party Working Committee.

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Asia-Africa

were rebuffed in their efforts to re-establish their influence in the cabinet. The two most notable additions to the government--Nehru's daughter, Indira Gandhi, supported by the left, and the conservative former food and agriculture minister, S.K. Patil--are popularly identified with the extreme factions. However, both appear willing to accede to the moderate socialist economic measures and the somewhat more conciliatory foreign policies, particularly concerning Pakistan, that the new government is likely to pursue initially.

Even with second-ranking portfolios, both are likely to be part of a small inner cabinet which, with the prime minister,

may also include, ministers Nanda, Krishnamachari, Chavan, and possibly Subramaniam. Government decisions will also be influenced by Atulya Ghosh, the foremost political power in eastern India, and by the Congress Party president, Kamaraj, a south Indian. These nine leaders will probably participate directly in all major decisions. Of this group, only Subramaniam and Krishnamachari are not regular members of the party's all-powerful Working Committee.

Shastri--although growing more assertive--is likely to maintain, at least at first, a conciliatory and deferential posture of first among equals within this group as well as within the cabinet as a whole.

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**PROSPECT OF NEW SOVIET AID TO IRAQ**

As a result of Khrushchev's talks with Iraqi Premier Arif in Cairo last month, an Iraqi military delegation has gone to Moscow, and an economic delegation will follow soon.

Moscow already has agreed in principle to substitute aircraft and land armaments for the surface-to-air missile (SAM) program canceled by Iraq. Current negotiations probably will lead to a major new arms deal

[Redacted]

The new Iraqi shopping list includes additional MIG-21 jet fighters, TU-16 jet bombers, T-54 tanks, armored

personnel carriers, and ammunition and spare parts for the more than \$300 million worth of equipment furnished by the USSR under three earlier agreements.

Although military shipments were suspended by Moscow for a three-month period at the height of the Soviet-Iraqi dispute last summer, the curtailment in economic aid activities was at Iraqi initiative. The government held a lengthy review of Soviet projects included under the \$137-million economic credit extended in 1959 which resulted in a revision of the aid program. A steel plant, a chemical fertilizer plant, and a sulfur extraction plant originally covered by the aid agreement have been canceled

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Asia-Africa

and opened for Western bids. Other Soviet projects, notably an electric light bulb factory and a woolen textile plant, are still under review.

Work has continued on some 15 projects, but after a five-year period only four--a radio station, a garment factory, a cannery, and an automatic telephone exchange for Baghdad--have been put into operation. The Baghdad-Basra railroad built with Soviet aid under a separate credit of about \$46 million was opened last March.

The coming economic talks will probably concentrate first on the \$50 million worth of Soviet projects which Iraq has canceled or which have been dormant. Moscow may also offer to participate in some new projects for which Iraq has recently requested bids. The So-

viets are said to have recently discussed the supply of equipment on credit for a \$6-million railway workshops project. The USSR, which has done extensive river surveys in Iraq, may also offer to participate in major water conservation projects long under consideration by the Iraqi Government.

The discussions of military and economic aid are unlikely to cause any appreciable change in political relations.

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Moscow may expect, however, that by expanding its contacts with Baghdad it can induce the government to be more tolerant of local Communists and to associate itself more closely with Soviet policy objectives.

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#### ELECTION NOTE

**Turkey:** The strength gained by the Justice Party (JP) at the expense of minor parties in Turkey's 7 June senatorial elections increases its already good chances of a substantial victory in the 1965 general election. As the minor parties--the New Turkey Party and the Republican Peasant Nation Party--will probably continue to disintegrate, that election will in effect become a contest between the JP and the present ruling party, the Republican People's Party.

The day before the senatorial election, the JP's figure-head president-general, Ragip Gumuspala, died. The party may choose another weak, compromise leader like Gumuspala in order to avoid a fight over his replacement. If it meets the issue squarely, however, the victor might well be from that wing of the party which most strongly opposes military influence in politics. Such a development would increase the distrust of the JP among Turkey's military leaders.

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Asia-Africa

**TURKISH INTERVENTION ON CYPRUS DEFERRED**

The threatened Turkish intervention in Cyprus has been deferred. The invasion forces, concentrated in the Iskenderun area of southern Turkey, have been placed in a more relaxed state of readiness. They have participated in several amphibious exercises in recent weeks, however, and presumably could rapidly carry out any new order to intervene.

Many senior Turkish military and political leaders are bitterly disappointed at Prime Minister Inonu's acceptance of US advice against intervention and may exert pressure to reverse his decision. The Turkish press has criticized recent US actions and anti-US slogans --possibly the work of left-wing students--have appeared on the windows of US installations in Ankara. The press and the Turkish public appear convinced that the US is committed to participate actively in obtaining a "solution" of the Cyprus issue.

Citing the latest Turkish threat, the Greek Cypriots early this week began to call publicly for an urgent meeting of the UN Security Council but on 11 June announced that no formal request for a special meeting would be made at this time. Their motive seems to be to use

the recent Turkish actions and militant speeches to build up a case for eventually demanding that UN forces on Cyprus be given a broader mission than peace-keeping. The Greek Cypriots want the UN troops to assist in quelling the Turkish Cypriot "rebellion" and to defend Cyprus against Turkish invasion. The present UN mandate comes up for extension by the Security Council in mid-June.

Greek Cypriot charges against Ankara will also be used to counter expected complaints from Turkey and the Turkish Cypriots regarding the Greek Cypriots' recent passage of their conscription bill and their announced intention to import heavy arms.

The Greek Cypriots have begun to draft men for military service under the new regulations. Rumors still circulate in Nicosia that Vice President Kuchuk is about to declare certain areas of Cyprus either independent or Turkish territory and to request immediate military assistance from Turkey. Greek Cypriot forces have strengthened their positions, apparently in preparation for a possible Turkish invasion and probably also for a quick attack on Turkish Cypriot positions if Kuchuk makes the anticipated announcement.

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Asia-Africa

GENERAL STRIKE AGITATES NIGERIA

A general strike over wage issues, starting on 1 June, crippled Nigeria's essential public services and took on distinct political overtones before showing signs of crumbling under government pressure this week. The strike occurred as Nigeria's parties were undergoing a major realignment in preparation for the national elections due this year.

After a protracted period of delay and, apparently, indecision, federal authorities moved abruptly to break the strike. On 8 June Prime Minister Balewa told the workers bluntly that the government would not negotiate while the strike continued. A 48-hour back-to-work ultimatum was issued, and troops took over key installations in Lagos, the federal capital, and other cities. By 10 June, some strikers were beginning to return to their jobs, although the major union leaders had not yet capitulated.

The strike has subjected the federal coalition government--dominated by the conservative Northern People's Congress (NPC)--to heavy new strains. Michael Okpara, premier of southern Nigeria's Eastern Region and leader of the coalition's junior partner, the National Convention

of Nigerian Citizens (NCNC), has begun cautiously to take up the workers' cause. Last week he announced that the NCNC has made an electoral alliance with the opposition party, the Action Group (AG), which has announced "unqualified" support for the strikers.

Okpara is himself embroiled with the central government over last year's controversial census which favored the North. Both the NCNC and the AG are southern-based parties, and their alliance can only intensify the already existing tensions between northern and southern Nigeria.

Extremist elements have benefited greatly by the strike. Such elements in the trade unions and in the pro-Communist Socialist Workers and Farmers Party have long planned to capitalize on growing social discontent to develop a national front and replace the present regime. Although their political position is still weak, the strike has given them an excellent opportunity to contrast the ostentatious manner of living of most high government officials with that of the average Nigerian and may have strengthened their numbers.

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Asia-Africa

TENSE SECURITY SITUATION AND POLITICAL TURBULENCE IN CONGO

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The security situation in the eastern Congo remains tense and uncertain.

[REDACTED]

Two Congo Army (ANC) companies with some local police hold defensive positions south of the city and have rallied to their side a large group of tribal enemies of the rebels. ANC commander General Mobutu visited Bukavu and organized the various units into a new brigade

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[REDACTED] It seems unlikely that new equipment and reinforcements will improve the ANC's performance.

Premier Adoula has as yet been unable to obtain African troops from outside the Congo to help the ANC after the UN troops leave. If the situation deteriorates rapidly, he may be forced to appeal to Belgium for military assistance.

The debacle in Kivu has warmed up political activity in Leopoldville. A new political combination, the African

Democratic Committee (CDA), was formed last week. It includes Minister of Defense Anany, four other cabinet ministers, and a leader of President Kasavubu's key Kongo Central Province ABAKO party. The CDA hopes that Kasavubu will name one of its leaders to head the "transitional" government which Kasavubu, following the recommendation of a constitutional commission, is supposed to appoint this month to administer the country until new parliamentary elections.

Both the CDA group and the slow-starting pro-Adoula Rally of Congolese Democrats are courting Katangan support. The CDA in particular hopes to win over exiled Katangan leader Moise Tshombé. Anany, who has been close to the Belgians, said recently that he would like to see Tshombé as head of the new government. Tshombé on 10 June indicated again he was "ready to serve" and hinted he would ally himself with the CDA. Belgian officials in Brussels continue to promote the idea of a government of national reconciliation, including both Katangans and members of the anti-Adoula exile group, the Committee of National Liberation.

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EEC COUNCIL OF MINISTERS MEETING

Last week's meeting of the EEC Council of Ministers took some far-reaching decisions on the Common Market's grain prices and relations with Spain and Nigeria.

German intransigence forced the Council to set mid-December as the new deadline for further consideration of whether or not to unify support prices for grains within the Community. The postponement was opposed by the EEC Commission, which asserts that refusal to agree on unified prices not only imperils the Community, but jeopardizes the Kennedy Round trade negotiations. The Commission has sent a letter to the Community's six chiefs of state deploring the Council decision and requesting reconsideration of the matter before 1 August.

There is no assurance that West Germany, facing an election next year, will be any more agreeable in December to lowering its grain prices to the levels proposed by the Community. The Commission, however, intends to apply further pressure in Bonn while the elections are still far enough off to allow Chancellor Erhard some room for maneuver.

Although the French have the most to gain from agreement on unified prices, they finally agreed to the postponement. France may wish to let the Germans set a precedent which would support the French thesis that important national interests should not be overridden by Community decisions, a point of

view which endangers the Common Market treaty's majority-voting provision due to come into effect on 1 January 1966. In addition, Paris is probably not unhappy that--to the extent the grain price issue delays the Kennedy Round--the blame will not be laid to France.

On a more positive note, the Council finally decided to open talks with Spain and Nigeria. The Spanish question has been particularly thorny because of strong anti-Franco feeling in Italy and Benelux and resentment over Spanish threats of economic reprisal if the EEC rejects Spain's bid for negotiations. The wording of the Council mandate to the Commission--calling for an examination of "economic problems (for Spain) resulting from the development of the EEC"--appears to fall short of the Spanish request for EEC association. Madrid, nevertheless, is reportedly pleased with the decision. The actual negotiations with Spain, however, are likely to be prolonged.

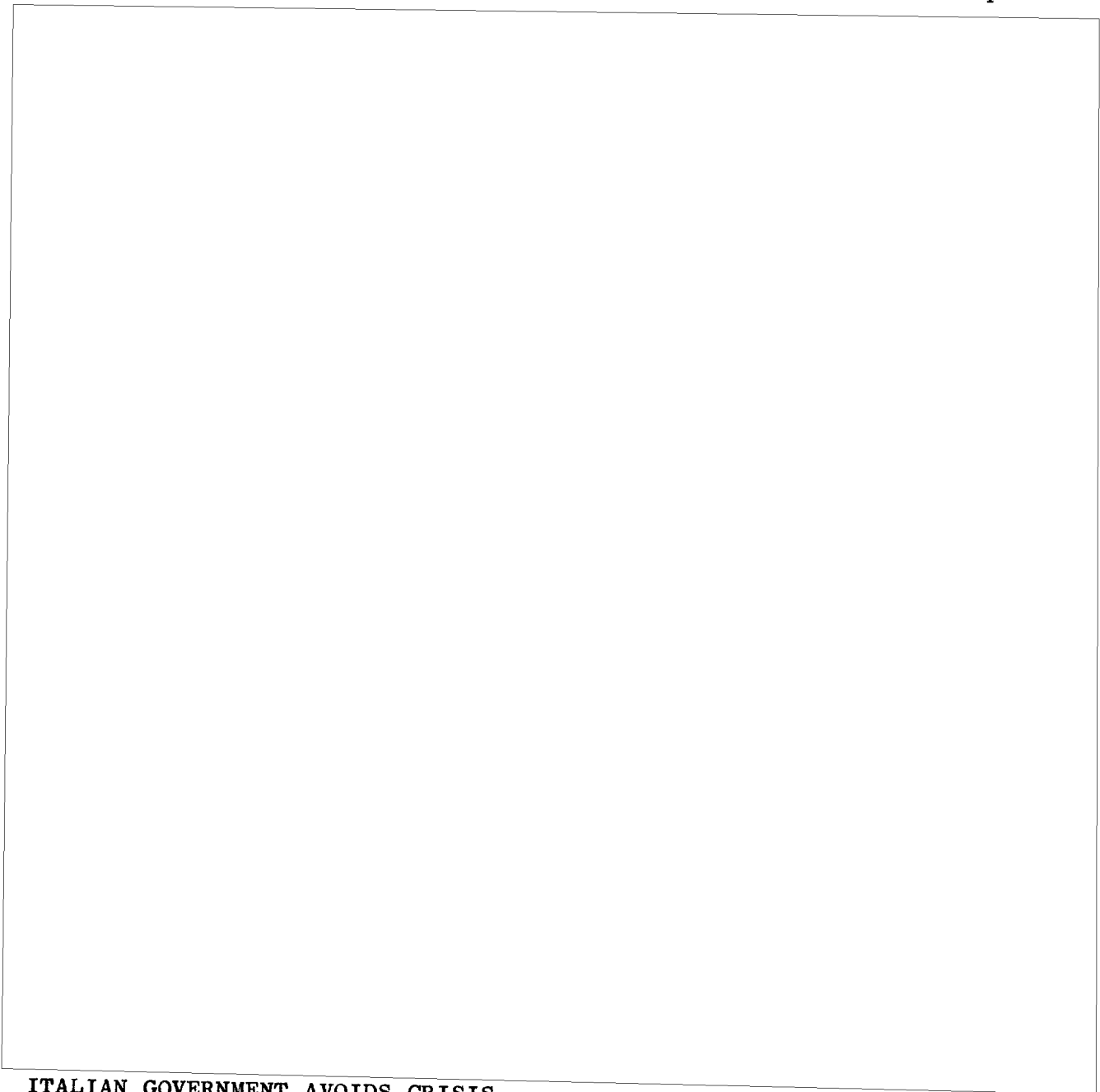
France ended its opposition to Nigeria's requests for talks looking to some form of association with the EEC, but Paris will still have ample opportunity to throw up roadblocks to any final agreement. The Commission's mandate to open talks about 15 July is partially qualified by the French reservation that any eventual arrangement not impair advantages currently enjoyed by the 18 African states now associated with the EEC.

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**ITALIAN GOVERNMENT AVOIDS CRISIS**

Italian Premier Aldo Moro's coalition has weathered the near government crisis brought on by the Socialists' sharp re-

action to Treasury Minister Colombo's recent call for a moratorium on socioeconomic reforms already agreed upon.

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Europe

While chances now appear fairly good that the center-left coalition will hold together for at least a few more months, it will continue under severe pressures and may face new crises.

Christian Democratic right-wingers remain opposed to most of the reforms, and intraparty factionalism is building up as the party prepares for its congress late this month. In addition, some Socialists--including Riccardo Lombardi, the influential editor of *Avanti!*--feel that the Christian Democratic Party's reaffirmation

last week of its intention to abide by the coalition's reform commitments is "equivocal." These Socialists will press for quick action on such specific reforms as urban renewal, regional legislation, and economic planning.



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#### BRITISH LABOR PARTY GAINS

Labor Party chief Harold Wilson appears to have enhanced his standing as Britain's prospective prime minister during his visit to Moscow last week. Press and public reaction in the UK has been favorable, and Wilson's visit is viewed as giving a further advantage to the Labor Party in the current pre-election period. In Moscow Wilson sought to convey the impression that he was a responsible and imaginative world statesman fully abreast of events and better able than the present prime minister to deal with the Soviet leaders.

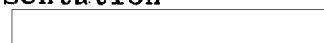
British political observers generally agree that Wilson "scooped" Douglas-Home in arranging talks with Khrushchev so soon after the latter's return from Cairo and in sounding out Soviet attitudes on the tense Southeast Asia situation. Latest British public opinion polls and a parliamentary by-election in Faversham last week show Labor continuing its lead over the Conservatives.



#### ELECTION NOTE

Luxembourg: Prospects for the early formation of a durable coalition government seem to be poor. The present regime, composed of the moderately conservative Christian Socialists (PCS) and Democrats, came out of the 7 June elections with only half of the 56 seats in parliament. The Democrats, usually identified with business,

were the big losers and consequently may be replaced in the coalition by the Socialists, who won 21 seats, only one less than the PCS. In any event, any coalition excluding the Socialists would probably be fragile. The Communist Party increased its parliamentary representation from three to five.



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Western Hemisphere

**CUBAN MILITARY DEVELOPMENTS**

Since the first of May, five Soviet passenger ships have left Cuba for the Soviet Union with more than 1,500 passengers on board. Most of the passengers appear to be Soviet military personnel. [redacted] some may be dependents and Cubans. Two Soviet passenger ships arrived in Cuban ports on 7 June-- one in Havana and one in Santiago de Cuba. [redacted]

All four SAM installations evacuated in late May have been relocated. Three of the sites are within 13 nautical miles of Santa Clara in central Cuba, substantially improving the defense of that important military area, but leaving the Central Naval District Headquarters at Cienfuegos unprotected by SAM defenses. The fourth was moved less than a mile from its original emplacement at Mariel, west of Havana, probably because of local terrain conditions. [redacted]

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**BRITISH GUIANA'S PROSPECTS FOR COALITION GOVERNMENT REMOTE**

The chances that British Guiana's three political parties can form a coalition government are as dim as ever. A proposal made last week by Forbes Burnham, leader of the Peoples National Congress (PNC), is so far unacceptable to the other two parties --Premier Jagan's Peoples Progressive Party (PPP) and the United Force (UF) led by Peter D'Aguiar. Burnham insists that Jagan call in all the arms in the country and establish a "national government." The ministries would be divided in the ratio of five for the PPP, five for the PNC, and two for the UF. He also stresses that this government would last only until elections are held.

D'Aguiar, who strongly dislikes Jagan, has flatly refused to participate. Burnham has said he will not proceed without D'Aguiar and is not likely to get him to change his mind. [redacted]

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**TENSION IN ARGENTINA AS LABOR AGITATION CONTINUES**

Political tension continues to rise in Argentina as the tempers of both employers and the general public are beginning to wear thin over the continuing agitation by the Peronist-dominated General Confederation of Labor (CGT). Despite recent government concessions, the CGT has announced continuation of its "battle plan" which heretofore has been highlighted by a series of brief sit-down strikes, or "occupations," at business establishments.

The CGT central committee voted on 5 June to continue its plan until the government grants all of its wide-ranging political and economic demands.

Indicative of this political motivation is the fact that the CGT decision was made just as Congress was winding up action on two major CGT demands--a minimum wage law and a price ceiling on certain common commodities. The CGT has criticized both measures as inadequate and will try to exert pressure on the President, who will set the precise wage and price levels under the new law.

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**BRAZIL'S EX-PRESIDENT KUBITSCHERK LOSES POLITICAL RIGHTS**

Brazilian President Castello Branco, continuing his government's two-month-old "clean-up" campaign, signed decrees this week canceling the political rights of more than 50 additional prominent politicians and labor leaders. Among them was ex-President Juscelino Kubitschek, now a senator, who had been a major contender in the presidential election scheduled for October 1965. Others were the governor of Para State,

several state deputies, and the mayor of Belem.

Although reaction thus far to the move against Kubitschek has been mixed, public criticism has been relatively mild. The government's relations with his large Social Democratic Party (PSD), however, have been put under some strain. PSD congressional leaders have issued a statement of "solidarity" with Kubitschek and emphasized the

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party's independence of the government bloc.

Without support from the PSD, which holds 116 of 409 seats in the Chamber of Deputies, the administration could have trouble putting through some of its major reform bills, despite the simplified procedures available to the President under the "Institutional Act." However, the absence of solid support for Kubitschek in the PSD and the lack of party discipline would tend to offset efforts by the small hard core of Kubitschek followers to achieve unified opposition to the government.

On the other hand, Castello Branco has strengthened his position among top military leaders, a number of whom had apparently been pressing him to nullify Kubitschek's political rights. They feared that Kubitschek's reelection to the presidency would

restore what their military revolution is seeking to eliminate --corruption and Communist influence in government.

The government has not stated its reasons for the action against Kubitschek, but Castello Branco's chief civilian adviser told US Embassy officials that well-documented justification exists and that no final decision had been reached on whether to publish it. 25X1

Indications are that additional lists of persons deprived of political rights will be issued before the emergency powers expire on 15 June. Castello Branco has confirmed that he does not plan to extend these powers beyond that date. 25X1

**COLOMBIAN GOVERNMENT MOVES AGAINST COMMUNIST ENCLAVE**

A campaign by the Colombian Government to eliminate the Communist enclave called Marquetalia is going into its second month. The first armed resistance was not encountered until 5 June, but the tempo of the fighting is expected to increase in the days ahead.

The Marquetalia Valley, between the departments of Tolima and Huila, was "proclaimed" by the Communists in 1960 to be "The Independent Republic of Marquetalia." It is one of the more recent of five regions in central Colombia to come under Communist control. Arms and ammunition, as well as drugs, clothing, and some food are smuggled into Marquetalia from other parts of Colombia.

The Colombian Communist Party (PCC) has protested the army's "interference" in Marquetalia from the beginning. The protests erupted into violence on 7 June when a wave of bombings in major Colombian cities left at least one person dead and several wounded. Anonymous phone calls to newspapers asserted that the bombings were reprisals against the Marquetalia campaign and indicated that more violence would follow. 25X1

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