

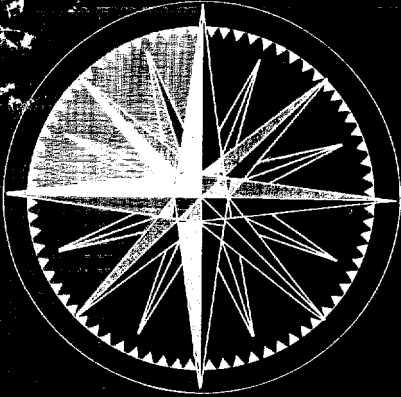
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24 July 1964

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WEEKLY SUMMARY

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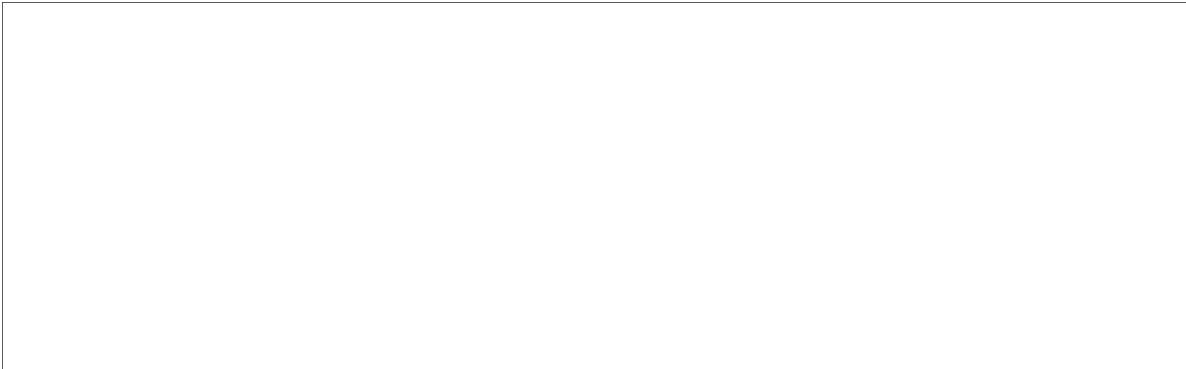
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The Communist World

MOSCOW PRESSES FOR A PREPARATORY COMMITTEE MEETING

Rapid-fire polemics between Moscow and Peiping continue amid further indications of intensified Soviet efforts to set up the earliest possible meeting of a preparatory committee of 26 parties to arrange for a world Communist conference.

A 15 June letter from the Russian party to the Chinese--made public by Moscow on 15 July--reaffirmed that a world meeting must be held without unnecessary delay, and stressed that "main efforts should now be concentrated on holding a preparatory conference." In the course of attacking Peiping's delaying and obstructionist tactics, the letter charged that only the Chinese and Albanian parties oppose collective efforts to promote unity, and claimed that there are "no insurmountable obstacles" to convening a world conference. It repeated the Soviet proposal of 7 March for a preparatory meeting in the near future by representatives of the 26 parties that comprised the drafting commission for the Moscow conference of 1960.

Publication of this letter supports other evidence that the Russian leaders are actively pressing for preparatory talks. The Polish ambassador in Moscow recently claimed in conversation with his British colleague that

a preparatory committee meeting will definitely take place this year. In a conversation with a neutralist Asian diplomat in Peiping in late June, Soviet Ambassador Chervonenko reportedly asserted that active steps to organize a world conference should be taken, regardless of whether China is willing to participate.

In an attempt to secure wide support for an early preparatory meeting, Moscow has apparently exerted a good deal of pressure upon parties which previously have been reluctant to endorse fully the Soviet call for a world meeting. Polish party chief Gomulka's 15 June call for preparatory talks to start "in the very near future" was one of the first indications that the USSR had begun to stress this approach.

Peiping continues to parry Russian moves for a world conference by publicizing foreign Communist party reluctance to be steamrolled by Moscow. People's Daily on 21 July front-paged the full text of a recent Indonesian Communist Party resolution which warned that failure was certain if such a meeting was "forcibly held in a hurry or without full preparation."

Peiping has just delivered a violent new attack questioning

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The Communist World

the authority of the Soviet party leadership. On 14 July, the ninth in the series of major diatribes which started last September accused Khrushchev of "phony Communism" and charged Russian party leaders with attempting to "restore capitalism." The sharp blast, appearing simultaneously in People's Daily and Red Flag, depicted the USSR as "seething with discontent" because of the "exploitation by the privileged stratum."

The Chinese accusations appear to be in part a reply to recent Soviet charges against the Chinese party leadership. Following customary Chinese practice, People's Daily set the stage for the latest polemical tract by reprinting four full pages of Soviet anti-Chinese statements, including the Pravda editorials in late April questioning the legality of the Chinese party because of its failure to hold scheduled elections.

THE STRENGTH OF THE CZECHOSLOVAK LEADERSHIP

Antonin Novotny appears to have secured his positions as Czechoslovakia's president and party first secretary, at least for the time being. The very factionalism that threatens the stability of the party has kept his opponents divided. He also has used the concessions they have won from him during the past year to demonstrate his "flexibility" and ability to operate progressively despite his dogmatic background and principles.

Novotny is exhibiting a new confidence based on these developments--and probably on the knowledge that Moscow would not welcome his ouster at this tense time in the international Communist movement. He probably will be re-elected president, but his position is not entirely secure.

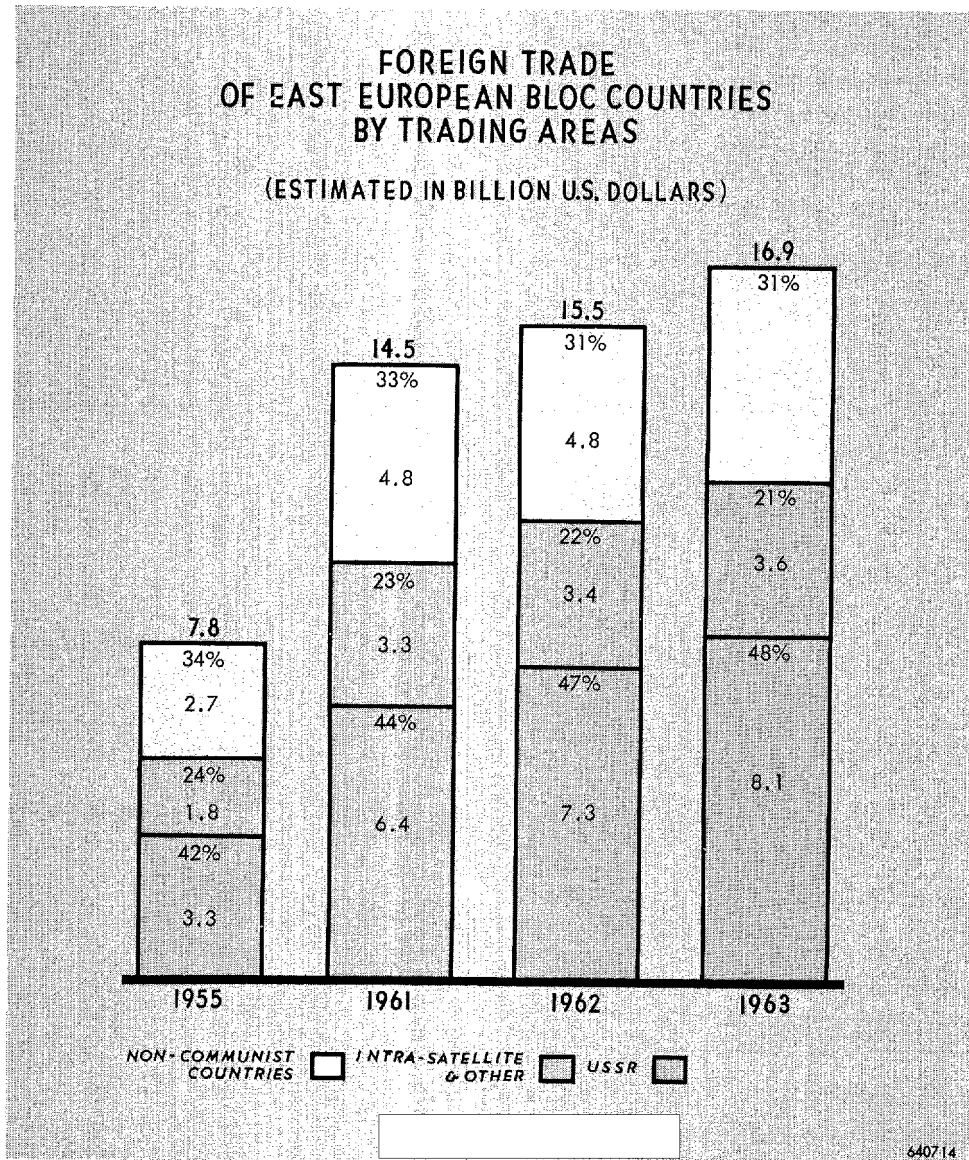
He has been unable to curb dissident party intellectuals,

although he has won a large measure of party agreement on the growing danger of revisionism which has resulted from outspoken criticism of the regime.

Slovak pressures for greater authority, and even for Novotny's removal, are still strong and may be growing stronger. New party factions continue to form, vying for the support of the Slovaks and dissident intellectuals.

Structural changes in the government apparently are still under consideration. Such thinking has grown out of widespread reappraisal of the basic principles of economics, government, and party life, and could produce a formal watering down of Novotny's powers as president. Such a development would almost certainly also lead to a limitation of his role in the party.

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The Communist World

EAST EUROPE'S TRADE WITH THE WEST

East European trade with the West is not likely to increase sharply, even though the bloc countries need equipment embodying advanced technology and the West is showing renewed interest in expanding markets and exploring new relationships.

The size of the trade and its rate of growth will be governed chiefly by the West's ability to use more East European goods and its willingness to provide financing for East European imports from the West. There are signs that the West is more willing to provide credits to Eastern Europe than to the USSR. This, in part, stems from the relatively smaller, although not insignificant, East European demand for financing.

The relatively few long-term credits--over 5 years and running up to 12 years--made available by West European firms to the bloc, have all been granted to Eastern Europe.

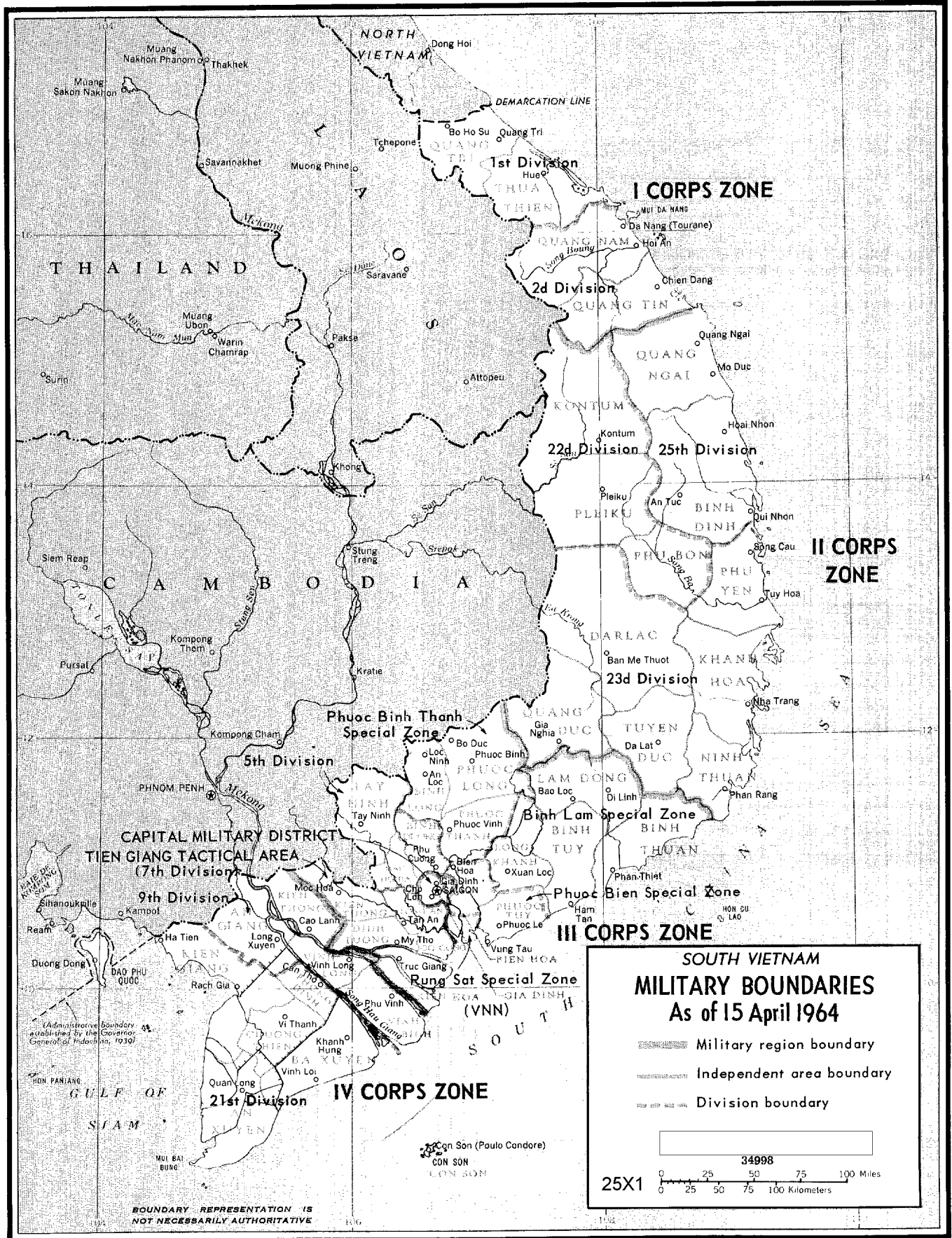
Limitations on Western markets for the agricultural

products and raw materials constituting a large part of the satellites' exports will, however, make repayment difficult. Political control of Communist trade may make Western producers reluctant to become dependent on East European orders.

Prospects for significant new trade vary widely in different East European states. Rumania has been able in recent years to expand its trade on the basis of its oil, timber and grain, for which there has been growing Western demand. East Germany has procured several large Western orders for industrial equipment, but Czechoslovakia, plagued by internal economic problems, must seek credit for the plants it needs. Poland, with agricultural products and raw materials to offer, is finding it difficult to compete in that more slowly growing segment of the market, but is attempting to sell more manufactured goods to the West.

For these reasons, bloc countries will continue to trade primarily with each other and the USSR will remain the pre-dominant trade partner of each.

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Asia-Africa

COMMUNIST ACTIVITY IN SOUTH VIETNAM REMAINS HIGH

Viet Cong military activity, particularly battalion-size actions, has increased sharply in the Mekong Delta area in recent days.

[redacted] government forces suffered heavy casualties in two large Viet Cong ambushes on 21 July in an area 120 miles southwest of Saigon, the scene of a Viet Cong battalion-size attack 11 days earlier. On 20 July, a Viet Cong battalion nearly overran a paramilitary headquarters 55 miles southwest of Saigon, while on 19 July a Viet Cong company wiped out a government outpost in critical Long An Province close to the capital.

Since 1 July there have been nine, and possibly eleven, battalion-sized and at least three company-sized Viet Cong attacks throughout the country. Most of these have occurred in the delta area. In the week of 11-18 July, all types of Viet Cong activities increased to a level of intensity second only to that of the week following Diem's overthrow last November.

The government's military establishment is showing signs of improvement, following an apparent halt in its deterioration in May and June. Desertion rates of the regular and paramilitary forces have decreased

by more than 50 percent since record highs in February and March. By late June the government's armed forces were at their greatest strength since the November coup.

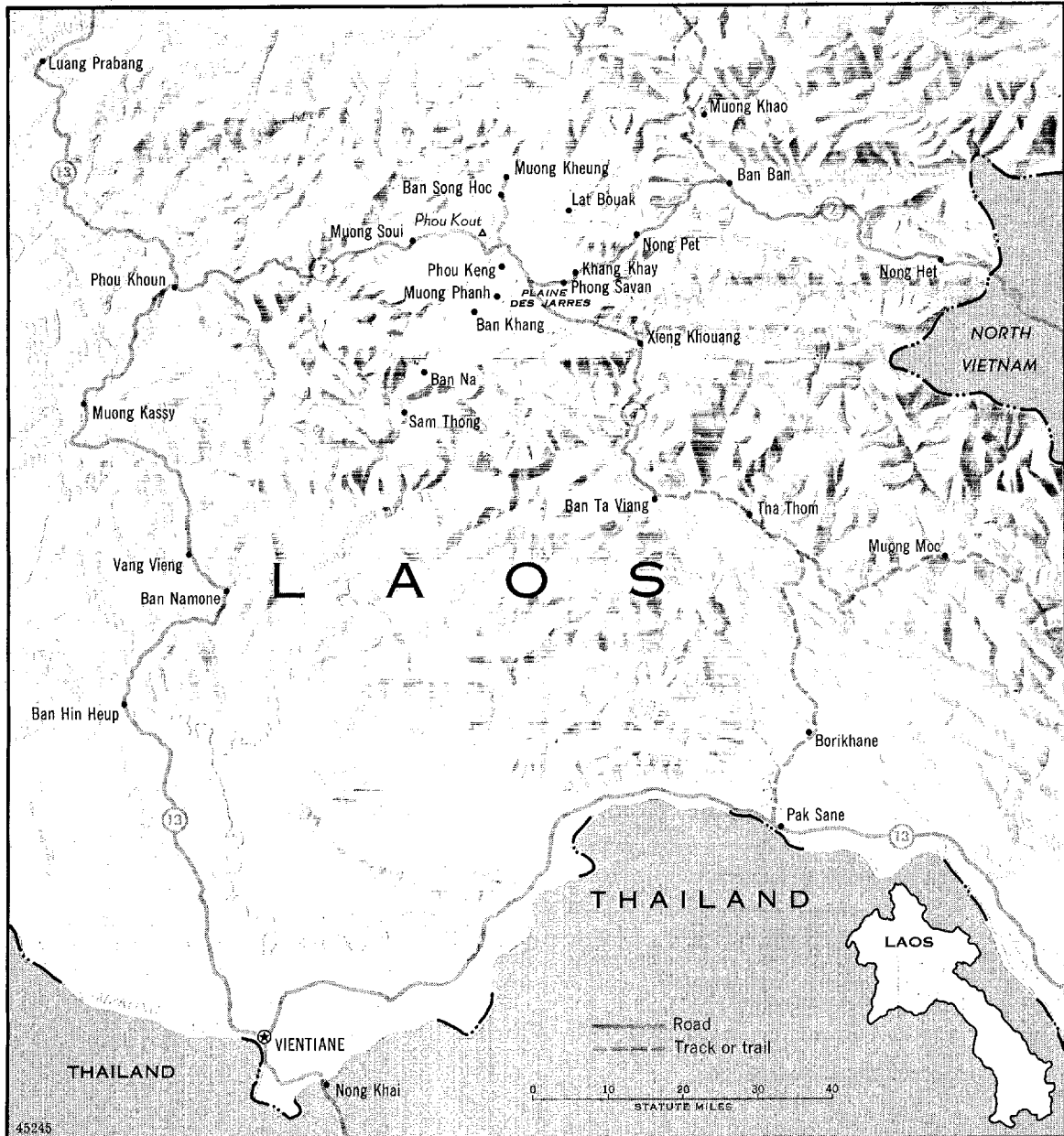
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Marking the tenth anniversary of the 1954 Geneva Accords, the Khanh government took an aggressive propaganda line against Paris, Hanoi, and Peiping. At a large Saigon rally on 19 July, General Khanh indirectly denounced the French for the loss of North Vietnam and claimed popular pressure to march north and liberate the area from a Chinese Communist "puppet regime." A government pronouncement on 20 July again identified Chinese "imperialism" as the cause of Vietnam's problems.

French-Vietnamese relations further deteriorated when, in the aftermath of the 19 July rally, Vietnamese students in Saigon burned effigies of Ho Chi Minh and De Gaulle, damaged a French war memorial, and attacked the French Embassy. The French chargé in Saigon suspects that these acts had the tacit approval of the government. The projected visit to France of a high official of South Vietnam's Foreign Ministry seems unlikely to reverse the trend.

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Asia-Africa

MILITARY AND POLITICAL MOVES IN LAOS

Military maneuvering continues in northern Laos, while efforts to arrange talks among the three main political factions remain stalled.

Combined neutralist and right-wing forces are continuing preparations for a major clearing operation against Pathet Lao positions in the Phou Khoun area, near the junction of Routes 7 and 13. Battalions are moving south from Luang Prabang, west from Muong Soui, and north from Vang Vieng. The operations are scheduled to receive substantial air support.

The rival Laotian factions remain unable to agree on arrangements for tripartite talks. Pathet Lao leader Souphannouvong on 20 July rejected as "impossible" the New Delhi meeting site proposed by Premier Souvanna. He reiterated his willingness to meet at either Phnom Penh or Djakarta, locations previously ruled out by Souvanna.

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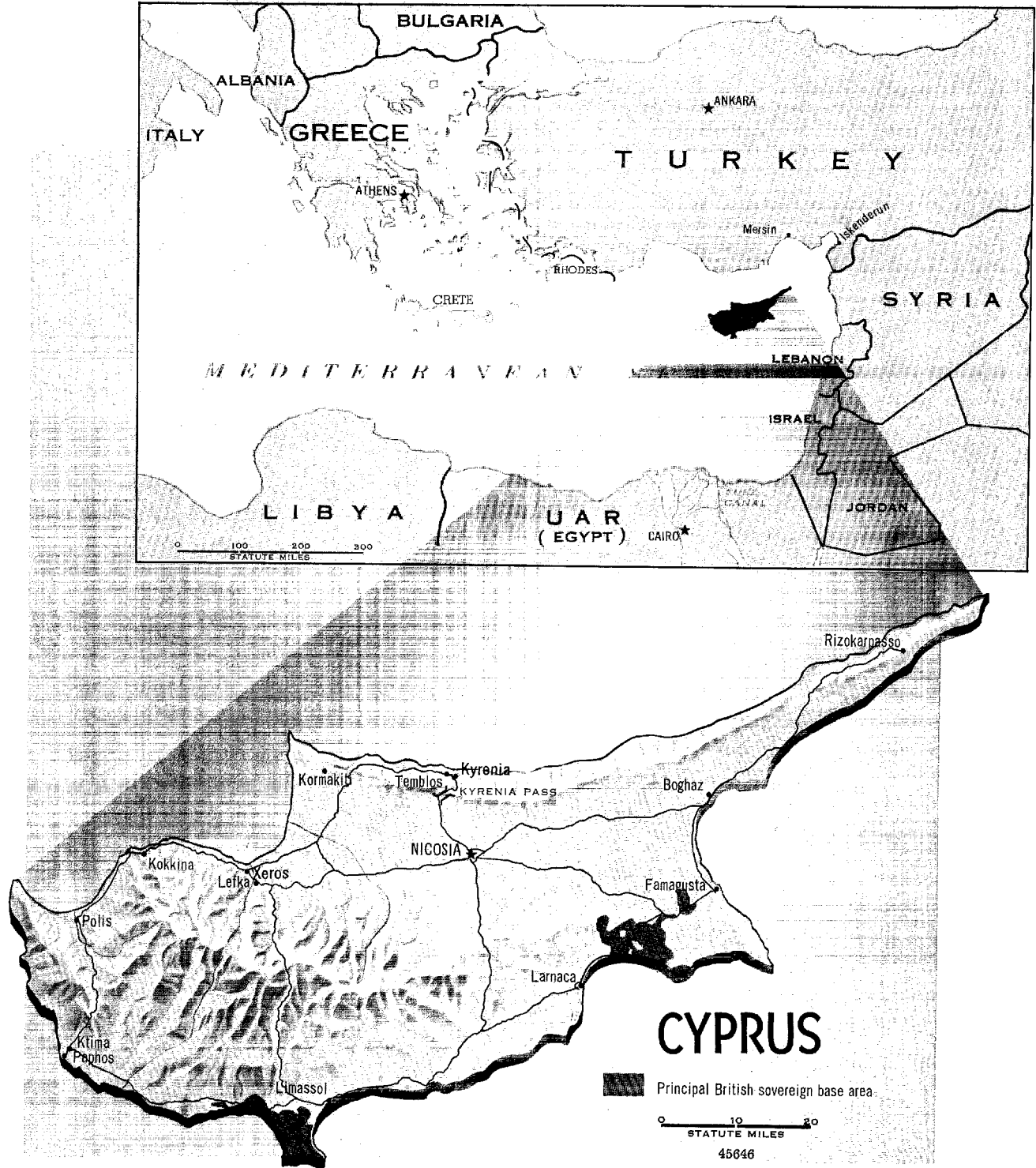
The Pathet Lao and the North Vietnamese reportedly have also rejected a Polish suggestion that the talks be assisted by representatives of the Geneva co-chairmen and the International Control Commission.

Recent dissident neutralist propaganda has hinted at another possible stumbling block to any early meeting. Dissident chief Colonel Deuane on 16 July asserted that his "neutralist" faction--not that of Kong Le and Souvanna--must represent the neutralist interests at the tripartite meeting and, subsequently, at any international conference.

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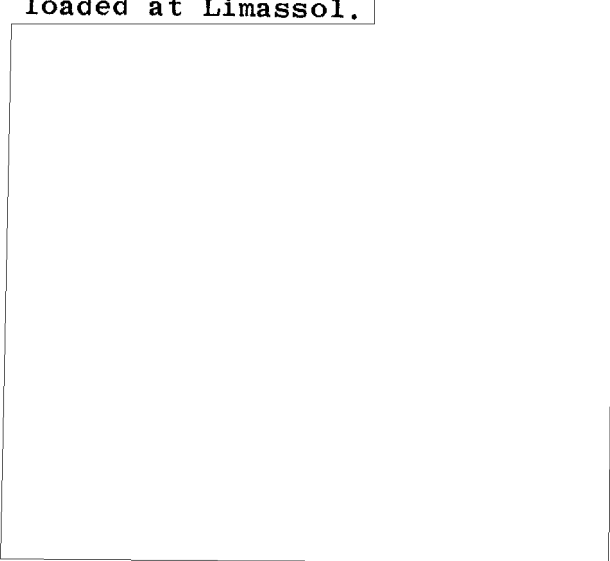
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Asia-Africa

PREPARATIONS FOR MILITARY ACTION ON CYPRUS CONTINUE

Both Greece and Turkey are continuing preparations for possible military action in the Cyprus dispute.

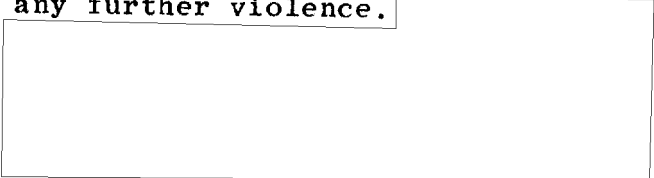
Greece is still sending military supplies to Cyprus. Many truckloads have been unloaded at Limassol.



Turkey has now completed repairs on three destroyers, which it had to remove from its southern naval force in mid-June. The ships have not yet returned to the south coast,

but such a trip would only require a few days.

During the past week the UN narrowly averted a major clash at Temblos near the strategic Kyrenia Pass, but violence could easily erupt in many places on the island. Turkish President Gursel has warned that Turkey might react with air strikes to any further violence.



The Greek Cypriots are, meanwhile increasing the economic squeeze on the Turkish community, especially in Nicosia. Additional roadblocks have been constructed to limit "strategic" supplies--especially petroleum--reaching the Turks. The government permitted the unloading of a Turkish relief supply ship only after the Red Cross agreed to pay the duty on much of the cargo. Nicosia may have feared an adverse international reaction.



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Asia-Africa

PAN-AFRICAN ORGANIZATION STRENGTHENED

The year-old Organization of African Unity (OAU) acquired new substance and reaffirmed its essentially moderate orientation at its summit meeting in Cairo between 17 and 21 July. African leaders, while reflecting their continued dedication to decolonizing the continent and promoting unity, eschewed any wild action or empty threats and displayed an increased tendency to settle down to practical business.

All of Africa's 35 independent states participated except white-ruled South Africa, which does not belong to the OAU, and Congo (Leopoldville), which dropped out of the meeting after its President was asked to come without controversial Premier Tshombé.

Host President Nasir, who was probably the pre-eminent personality among the 27 heads of state or government attending, almost certainly enhanced his stature in the eyes of the moderate majority with his tone-setting speech opening the conference. Exercising restraint on the Arab-Israeli issue, he dwelt on practical problems facing the new states and buttressed the OAU gradualist approach to unity rather than the visionary views of Ghana's Kwame Nkrumah.

The designation, after a year of sometimes spirited com-

petition, of Addis Ababa as the OAU headquarters site and of Guinea's capable and essentially moderate Diallo Telli as permanent secretary general, will pave the way for further institutional development. A committee of jurists was added to the structure of functional commissions, and a draft protocol signed which, when ratified, will establish the conciliation-mediation-arbitration commission provided for in the OAU charter. It is envisaged as a permanent stand-by mechanism for handling quarrels between member states.

Resolutions declaring the conferees' determination to destroy South African apartheid and Portuguese colonialism do not seem any more shrill than those of last year. They are supported now, however, by the special bureaus established within the secretariat to coordinate efforts against both Pretoria and Lisbon. The bureaus will evidently be concerned with enforcing boycotts--possibly including secondary boycotts--and developing support for other economic sanctions. More attention was devoted this time to Southern Rhodesia, reflecting increased African concern over the possibility that its white-minority government might unilaterally declare independence, and to the evolving British High Commission territories of Basutoland, Bechuanaland, and Swaziland.

Despite Ghanaian and Algerian criticism of the OAU's Tanganyika-based Liberation Committee, the

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Asia-Africa

conference, in effect, approved the committee's performance, thereby vindicating Tanganyikan President Nyerere. In his public speech, he had vigorously rebutted Nkrumah's attacks on the committee and gone on to blast as propaganda Ghana's plan for an immediate "continental union." The large majority of African leaders clearly oppose any

such scheme now and apparently agreed only that the various aspects of unity should be studied.

A proposed convention on denuclearization, pushed particularly by Ghana, seems to have wound up as a simple resolution with its wording softened.

TSHOMBE MOVES AGAINST CONGOLESE REBELLIONS

Premier Tshombé appears to be taking a personal hand in dealing with widespread rebellion in eastern Congo. His prospects for eventually restoring order may be somewhat improving.

had only limited success in securing the leadership of the rebellions. The Kivu-Central rebel chief owes him nominal allegiance, but Soumialot is distrusted by tribesmen in North Katanga.

On 22 July the premier flew to Burundi, adjacent to rebellious Kivu-Central, and talked to a member of the autonomous eastern branch of the leftist Committee of National Liberation (CNL). He probably tried to contact rebel leaders in the Congo in this way. Tshombé apparently will try to rally local Congo chiefs to his side. Minister of Interior Munongo used the same approach in North Katanga, and may be partly responsible for at least one tribe's joining government forces south of Baudouinville.

Tshombé may benefit from the near disintegration of the CNL's headquarters in Brazzaville.

The leftist, former Stanleyville separatist, has since expressed his desire to cooperate with Tshombe.

Although the area infected with insurgency still seems to be growing--Maniema Province's capital of Kindu reportedly fell on 22 July--the various dissident groups still lack coherence. They have left no administrative apparatus in the towns through which they passed. A local dispute between tribal chieftains is responsible for some of the fighting in Maniema Province, and the insurgents in North Katanga appear to be mostly bands of rampaging youths well armed with captured weapons. The CNL's Gaston Soumialot has

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Europe

OUTLOOK FOR A NEW GOVERNMENT IN ITALY

Premier-designate Aldo Moro will probably get parliamentary approval for his center-left government, but its future will be precarious.

In seeking a final accord, neither the Christian Democrats nor the Socialists showed the basic good will necessary to create a viable coalition. Crucial issues were postponed through temporary compromises rather than thrashed out to lasting solutions, and they will have to be reassessed at an early date.

The relatively small number of changes in the composition of the cabinet should not be considered evidence of stability. It may indicate though, that Moro is stronger than seemed likely earlier.

Even if Parliament approves Moro's cabinet with a vote approaching the comfortable majority he initially received, it will not assure the coalition's viability. Six members of the Socialist left wing, headed by party paper editor Riccardo Lombardi, voted "No" when the Socialist Party directorate approved the new four-party accord on 18 July. These dissidents characterized the agreement as a "step backward" and stated they would not partic-

ipate in the new government. Former premier Fanfani's followers abstained when the Christian Democratic Party directorate voted approval. They charged that the agreement did not really clarify the controversial issues and also made undesirable concessions to the Socialists. They have since made their opposition more positive by announcing they will not participate in the cabinet as a faction. This is a clear warning that they will work against Moro's new government. It is now even questionable whether they will observe party discipline in the parliamentary vote on the new cabinet. The Socialist dissidents may not make their final position known until the vote takes place.

An impediment to a successful showing for a new government will be the three-week holiday period beginning in mid-August. The holiday will disrupt parliamentary activity and limit the time available for the new cabinet to get legislature consideration of further stabilization measures and the limited socio-economic reforms agreed upon. In the economic field, the government will have to contend with the difficult problem of curbing inflationary pressures without, at the same time, inducing cutbacks in production that will slow the rate of economic growth.

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Europe

BRITISH COMMONWEALTH PRIME MINISTERS CONFERENCE

The recent meeting of Commonwealth prime ministers ended on a more harmonious note than expected. A bitter clash over the question of Southern Rhodesian independence, which could have severely strained the Commonwealth system and embarrassed the Douglas-Home government, was narrowly averted.

The African members strongly pressed Britain to take positive steps to back African demands for constitutional advance in Southern Rhodesia. They unenthusiastically agreed that it is Britain's primary responsibility to determine the time and circumstances for granting Southern Rhodesia its independence. They were mollified when Douglas-Home agreed to consider their proposal to convene an all-party conference in the colony to pave the way for independence based on majority rule.

By avoiding a row--such as the one which occurred in 1961 over

AREA NOTE

Luxembourg: The new coalition government that took office this week reflects the swing to the left in the 7 June national elections. The Socialist Party has replaced the Democrats, who are usually identified with business, as partners of the Christian Socialists (PCS). The new government consequently may undertake measures to reduce military outlays and discourage expansion of American business investments.

In the distribution of cabinet posts, the PCS controls the prime ministry and the portfolios for defense, foreign affairs and education. The Socialists hold the ministries of labor and social secur-

ity, transport and public works, public health, and interior. The ministry of finance has been split between two ministries, with the Socialists controlling the domestic budget and the PCS responsible for external financial affairs.

South Africa--the prime ministers were able to focus more attention on the future of the Commonwealth itself. Since 1945, it has become less cohesive as it has become more heterogeneous. The ministers agreed, for example, to consider Ghana's proposal for a permanent Commonwealth secretariat, and Douglas-Home advanced his ideas of bridging the "North-South gap" through increased technical aid, training, and mutual assistance within the Commonwealth framework. It is doubtful how much can be done along these lines, however, in view of the changing nature of the Commonwealth and the needs and diverging interests of its members.

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The coalition holds 43 of the 56 parliamentary seats and is expected to be relatively stable. The Communist Party made a favorable showing in the election by winning approximately 12 percent of the vote and 5 parliamentary seats. The Communists will normally support the Socialists' viewpoint in any conflict of interests that may develop in the coalition.

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Western Hemisphere



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AREA NOTE

Venezuela: Terrorism, relatively dormant since last December when pro-Castro terrorists failed to prevent the presidential election, may be on the upsurge again. Since 10 July, four policemen and one civilian have been killed in street shootings, and several other terrorist attacks have been reported in the state of Miranda. Some of these incidents may be in retaliation for the army's current antiguerrilla operation in eastern Miranda.

The Armed Forces of National Liberation (FALN), a Communist-dominated terrorist organization, has been blamed for several of the recent incidents. There is still no firm evidence, however, to indicate that it has launched an antigovernment campaign comparable to last year's. The Communist Party of Venezuela has been soft-pedaling terrorism during the past few months in an effort to win a general amnesty for political prisoners, including its top leadership.

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Western Hemisphere

AREA NOTE

Brazil: The Brazilian Congress has approved a controversial constitutional amendment that extends President Castello Branco's term in office almost 14 months, to 15 March 1967. The general election originally scheduled for October 1965 will not be held until late 1966.

The new amendment also stipulates that if no presidential candidate polls a majority of the popular vote in an election, the top contender is voted on by the congress. If he again fails to win a majority, he must face the runner-up candidate in a runoff election.

Castello Branco apparently had not actively sought the extension of his term, nor pressured Congress on the matter. He probably favors the amendment

since it will allow more time for his government's reforms and stabilization measures to take hold.

Initial reaction to the electoral changes has been sharply divided. War Minister Costa e Silva and other top military leaders are gratified. The major parties, however, split over the issue, and approval was possible only by mixed political support.

The most violent criticism has come from Guanabara Governor Carlos Lacerda, generally regarded as the front runner for the presidency. He now sees his prospects somewhat diminished. Public opinion, however, presently appears to be generally in favor of prolonging the present government's rule to implement reforms and to assure political stability. 25X1

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C O N T E N T S

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ASIA-AFRICA

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ASIA-AFRICA (continued)

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TSHOMBE MOVES AGAINST CONGOLESE REBELLIONS

9

He has flown to the eastern Congo in an effort to negotiate with dissidents, who remain disorganized and largely leaderless.

EUROPE

OUTLOOK FOR A NEW GOVERNMENT IN ITALY

10

Even if Premier-designate Aldo Moro gets substantial parliamentary backing in the formal vote of confidence for his new center-left government, the stability of his coalition remains questionable.

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BRITISH COMMONWEALTH PRIME MINISTERS CONFERENCE

11

Douglas-Home's adroit performance in averting an internal row over Southern Rhodesia

permitted conference members to focus more attention on over-all Commonwealth matters.

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AREA NOTE

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On Luxembourg

WESTERN HEMISPHERE

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