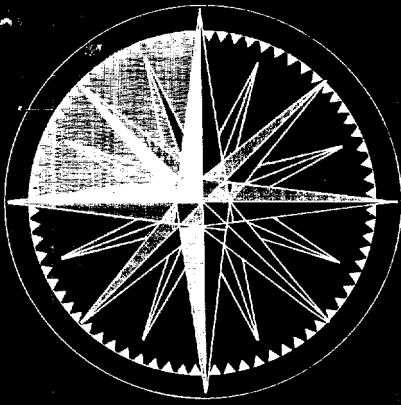


2 October 1964

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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, 1 October 1964)

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The Communist World

THE FIFTEENTH ANNIVERSARY OF THE GDR

The German Democratic Republic, founded 15 years ago on 7 October 1949 by Moscow's fiat, has achieved only limited diplomatic recognition outside the Communist world. Walter Ulbricht, the regime's Stalinist dictator, also sees his hard-line policies becoming more and more anachronistic when compared to those of the other countries of Eastern Europe.

Neither the atmosphere of change in Eastern Europe nor the detente in East-West relations is to East German liking. Already, four of the Eastern European states have concluded trade agreements with the Federal Republic, often at the expense of East German interests and despite the regime's protests. Khrushchev is planning to visit West Germany, sometime early next year, in part to explore the possibilities for improved relations. The peace treaty so long sought by Ulbricht is no longer treated as an urgent matter in bloc policy statements.

In an effort to win more consideration for East German interests, Ulbricht has visited five of the Eastern European countries in the last few months. He did not find his audiences particularly receptive, however, especially when he sought to lessen the lure of trade with West Germany. His only accom-

plishment of any note this year was the conclusion on 12 June of a Friendship Treaty with the USSR.

Since the erection of the Wall in August 1961, the East German leadership has acted with a new-found confidence-- at least in domestic affairs. A few opponents of Ulbricht have even been released from prison. Aside from the 20 September election of Willi Stoph to succeed the late Otto Grotewohl as premier, there have been no leadership changes in over a year. Moreover, there is no evidence of significant personnel changes in the lower echelons of the party or government.

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The regime believes it scored a success this summer in its long-time efforts to win some measure of acceptance from the Federal Republic. It insists that the new Berlin pass agreement and agreements on repair of the Hof Bridge and new train paths to Berlin were concluded on an "official" level and constitute a measure of recognition by the West Germans. Bonn, predictably, denies that anything more than "technical-level" understandings have been involved. It is resisting East

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The Communist World

German efforts to upgrade the semiofficial Trusteeship for Interzonal Trade (IZT) and has refused recent East German requests for trade concessions which could have led in this direction.

Although it is premature to speak of an East German na-

tionalism, there is tentative evidence that some categories of people--notably the youth--are beginning to think of themselves as East Germans, rather than as simply Germans. At the same time, much of the populace continues to resent the pervasive controls of its Stalinist regime and to ridicule the few concessions it has made to popular opinion. [REDACTED]

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AREA NOTE

North Vietnam Industry: North Vietnam's difficulties with heavy industry are underscored by the seven-year lapse between the inauguration of the first industrial plan and the completion on 20 September of the country's second modern blast furnace. With this second furnace, domestic pig iron capacity reached 200,000 tons annually. However, steel-making facilities have not kept pace. Most of the small quantity of pig iron produced by the first furnace was exported to Japan.

Domestic industry cannot support either the military establishment or rapid economic growth. Only simple small arms and ammunition are manufactured

at home. All POL, finished metallurgical products, railroad stock, aircraft, vehicles, and most complex machinery, spare parts, industrial chemicals, and electrical equipment are still imported from Communist countries. During the last 10 years, bloc countries have provided about a billion dollars in economic aid, but planned production goals nevertheless have had to be reduced frequently, most recently in 1963. Current regime announcements imply that only a few major targets of the 1961-65 plan have a chance for fulfillment. About 70 percent of the country's limited factory output still comes from nonstrategic food-processing, textile, and raw materials industries.

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The Communist World

AGRICULTURAL OUTLOOK IN COMMUNIST COUNTRIES

Output in all growing areas of the USSR is not uniformly as favorable as in the record year of 1958, but good crops of grain, corn, sugar beets, sunflowers, and cotton are being harvested. It is tentatively estimated that total grain production this year will be about 120-125 million tons, about the same as in 1958. Production of grain per capita, however, is likely to be about 10 percent less than six years ago because of the population increase of about 21 million since then.

By mid-September that part of total grain production procured by the state--as opposed to that left on the farms for feed, seed, and food--had already exceeded the 45 million tons procured in all of 1963. In order to build up depleted state reserves, the state may buy more than the record 57 million tons taken in 1958 and 1962. The state procurement plan of 67 million tons will probably not be fulfilled despite the optimism expressed by Soviet officials in late August.

Record harvests of sugar beets and oilseeds are probable, and the prospects for animal husbandry are favorable, given the good supplies of feedstuffs now being procured. Meat production in 1964, however, will be well below the 10.2 million tons produced in 1963 because of the need to rebuild herds this year. The cotton harvest will probably be somewhat below the 5.2 million tons harvested last year.

Prospects for the late autumn harvest in Communist China are

fair to good, with improved conditions in South and Southwest China offsetting the continued deterioration of growing conditions in North Central, and East China during August. Partly because of the increase in population a record 6.4 million tons of wheat have already been purchased abroad even though the total crop of grains and tubers will probably exceed the 175-180 million tons produced in 1963.

Eastern Europe's harvest of small grains probably will be only marginally better than the below-average crop of 1963. This year's corn crop is developing favorably, but may be lower than in 1963 because of the smaller sown area. Prospects for sugar beets are less favorable than a year ago. Grain imports this year will probably be close to the 5.2 million tons bought a year ago.

Prospects in North Korea continue to be unfavorable, but in North Vietnam the fall rice crop, which usually accounts for about two thirds of the annual rice harvest, is reportedly growing well. Cuba's production, except for sugar, will probably decline slightly compared to 1963, with an apparent improvement in livestock and green vegetables failing to compensate for decreases in grains, root crops, and tubers. Total food supplies may not fall this year inasmuch as food imports during the first half of 1964 were higher than during the same period last year. 25X1

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Asia-Africa

SOUTH VIETNAM REGIME'S TROUBLES GROW

Suppression of the Rhade uprising has eased some of the tensions in South Vietnam during the past week, but new difficulties threaten General Khanh's position.

Khanh's forceful action against the Rhade paramilitary units in Darlac and Quang Duc provinces restored Saigon's authority over them, but it may undo much of the progress made in inducing the tribesmen to join the fight against the Viet Cong. Harsh reprisals and renegeing on promises to the Rhade could lead to further uprisings.

Khanh's command of his own government is shaky. The group of young generals who saved him from the 13 September coup attempt has apparently succeeded in forcing him to exile General Khiem, a member of the ruling triumvirate. A 17-man High National Council, charged with drawing up a provisional constitution and selecting a provisional national assembly, was formally inaugurated on 26 September.

In central Vietnam, the influence of the "People's

Revolutionary Committee" is spreading. Local chapters have been established in a number of coastal towns. Le Khac Quyen, the power behind the first committee set up in Hue, is already exerting influence on the national scene, and has been appointed to the High National Council. Although the Committee is not known to be Communist inspired, it may become a point of Viet Cong infiltration.

Buddhists and Catholics have been stepping up their charges and countercharges, and violence could break out at any time. The Viet Cong have been trying to further the dissension by spreading disruptive rumors.

Communist military activity has declined somewhat. In the past week Viet Cong - initiated incidents declined to 700 from the previous week's unusually high figure of 975. The Communists struck hard at railroad lines, primarily in the northern provinces, in what may be an attempt to interdict links with Saigon.

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Asia-Africa

CAMBODIA PRESSES BID FOR PEIPING'S SUPPORT

Prince Sihanouk's concern for guarantees of Cambodia's neutrality and borders has been given new urgency by recent events in South Vietnam. He fears that Saigon's frustrations will be vented in aggression against Cambodia. Sihanouk considers the 5 September skirmish at the Cambodian border village of Koh Rokar, reports of renewed Khmer Serei ("Free Cambodia") activity, and hostile statements from Saigon, as supporting his long-standing suspicion that South Vietnam is only looking for a pretext for a Cambodian venture.

Sihanouk hopes that a closer association with Communist China will counter the immediate threat and also act as a hedge against what he views as the somewhat more distant but equally dangerous threat of a unified Vietnam under Hanoi's hegemony. At the same time, he fully realizes that concluding any agreement with Peiping and Hanoi, unless backstopped by strong Chinese guarantees, will give Saigon precisely the pretext he says it seeks.

Sihanouk is now in Peiping in search of support. In

speeches prior to his departure, he indicated that he was putting the highest priority on getting a statement from the Chinese that an attack on Cambodia would be treated as an attack on China. Although Peiping has previously pledged its "all-out support" and its determination to "stand behind" Cambodia if it is attacked by the US or its "lackeys," Sihanouk now apparently finds this insufficient.

In the past the Chinese have been most cautious in responding to Sihanouk's overtures, and there are no indications that they are willing to give him the guarantees he wants now. The Chinese have provided the enthusiastic reception that the Cambodian Chief of State has come to expect in Peiping, and they will probably offer some military hardware for his paramilitary forces. They probably will be less accommodating, however, on political support.

Under these circumstances, Sihanouk can be expected to move cautiously in discussions in Peiping with the North Vietnamese and representatives of the South Vietnamese Communist National Liberation Front.

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Asia-Africa

PRESSURES ON KASHMIR MORATORIUM INTENSIFY

The Kashmir dispute, which has simmered along through the summer, soon may again dominate Indo-Pakistani difficulties. The casualty rate along the cease-fire line has climbed to its highest level since 1949; 109 persons were killed in the past four weeks. Inside Indian-held Kashmir, sharply intensified political turmoil has raised new doubts about the ability of the state government to maintain even the outward appearance of stability.

Since Nehru's death last May, India and Pakistan have been observing a diplomatic moratorium on the dispute to allow India's new leadership to get established. Pakistan has hoped that significant progress might come once Prime Minister Shastri was fully in control.

India's interests are served, however, by prolonging this moratorium indefinitely. It seeks no change in the status quo and remains principally interested in pacifying the various challenges to its control over the main valley. Despite Shastri's conciliatory line, he is in no position to consider making significant--and unpopular--concessions at a time when he faces serious domestic food and price difficulties and discord within the Congress Party.

For the immediate future, New Delhi is likely to concentrate on strengthening the facade of normal state government in Kashmir, upon which it bases much of its claim that

the territory has been fully integrated into the Indian Union. The eight-month-old Sadiq government, installed under Shastri's personal supervision before Nehru's death, has just weathered a challenge from former prime minister Bakshi. To accomplish this, however, it was necessary to jail Bakshi and to suspend the state legislature.

Sheikh Abdullah's prominent position within Indian-held Kashmir nevertheless remains the critical factor for New Delhi. Congress Party leaders have hoped that growing strife between rival Kashmir groups would undercut the Sheikh's standing, for his demands for self-determination have been worrisome. If anything, however, Abdullah's position among the Kashmiri masses is growing stronger. Like the Pakistanis, he has recently been showing greater impatience with the lack of progress toward a Kashmir solution and has been hinting at the possible use of force from within the valley.

In the absence of some meaningful sign from India, the Ayub government remains doubtful about the value of holding the ministerial-level talks proposed for late October and November. Unless some such sign is forthcoming soon, Pakistan may step up pressure on the cease-fire line and try to encourage additional Kashmiri unrest against Sadiq and New Delhi. 25X1

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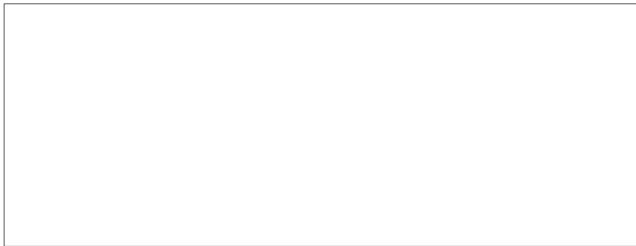
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Asia-Africa

THE CYPRUS SITUATION

Relative calm continues on Cyprus but a new confrontation over Turkish troop rotation may be developing. The unity of the Greek Cypriots, meanwhile, is threatened by the growing estrangement between President Makarios and General Grivas.

UN Secretary General Thant's 26 September announcement of an agreement to permit part of the Turkish contingent on Cyprus to be rotated in return for opening of the Turkish-controlled Nicosia-Kyrenia highway appears to have been premature. The Turkish Cypriots have protested that they were not consulted and have refused to go along with the agreement. Ankara denies that there is any relationship between rotation and opening of the road. Makarios insists the rotation will not be permitted unless the road is opened and armed Turks and Turkish Cypriots removed from the immediate vicinity.



Meanwhile, Grivas, and at least two Greek Cypriot newspapers, have criticized Makarios' recent attempts to secure weapons from Egypt and the USSR. They allege that only Greece has supplied material aid in the past, and should be the only country to supply it in the future. They also insist that enosis--union with Greece--should be the government's goal,

rather than the official one of "uncommitted independence."

Makarios, most of his cabinet, a majority of the Greek Cypriot press, and the large Cypriot Communist Party were placing great hopes on the recent negotiations in Moscow. Nicosia's Commerce Minister Araouzus said on 30 September that Moscow had agreed to supply both economic and military aid, including some weapons. Details are not yet available.

Greek Cypriot Communists, after reassuring Makarios of their support, have issued a statement criticizing "disruptive elements" in the community--an obvious reference to Grivas and others opposing the current drift toward reliance on Communist and non-aligned nations. The pro-Makarios press has printed increasingly critical references to the Greek Embassy in Nicosia, the Greek Government, and any Cyprus solution involving Greece. As if to emphasize his reliance on countries other than NATO-member Greece, Makarios will attend next week's conference of nonaligned nations in Cairo.

The disclosure that Swedish members of the UN forces on Cyprus were transporting arms for the Turkish Cypriots has not been exploited by Makarios to restrict further UN freedom of movement in Cyprus. This appears to be part of his present campaign to present an impression of reasonableness prior to the debate on Cyprus at the forthcoming session of the UN General Assembly.



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Asia-Africa

NATIONS CONVENING FOR NONALIGNED CONFERENCE

At the second nonaligned conference opening in Cairo on 5 October, many delegations will be vying to advance their own claims to leadership. The delegates, while pressing various national causes, will probably pass resolutions less favorable to Western than to Soviet interests.

More nations will be represented at this conference than at its predecessor in Belgrade three years ago, when representatives of 26 nations gathered. Delegations from at least 49 nations will be at Cairo, largely because a new definition of non-alignment permits the presence of some nations with defense ties with the West, as well as the bloc. In addition to all Arab and most African and self-styled neutralist Asian nations, nine Latin American countries and Finland will send observers. Cuba will be a full participant.

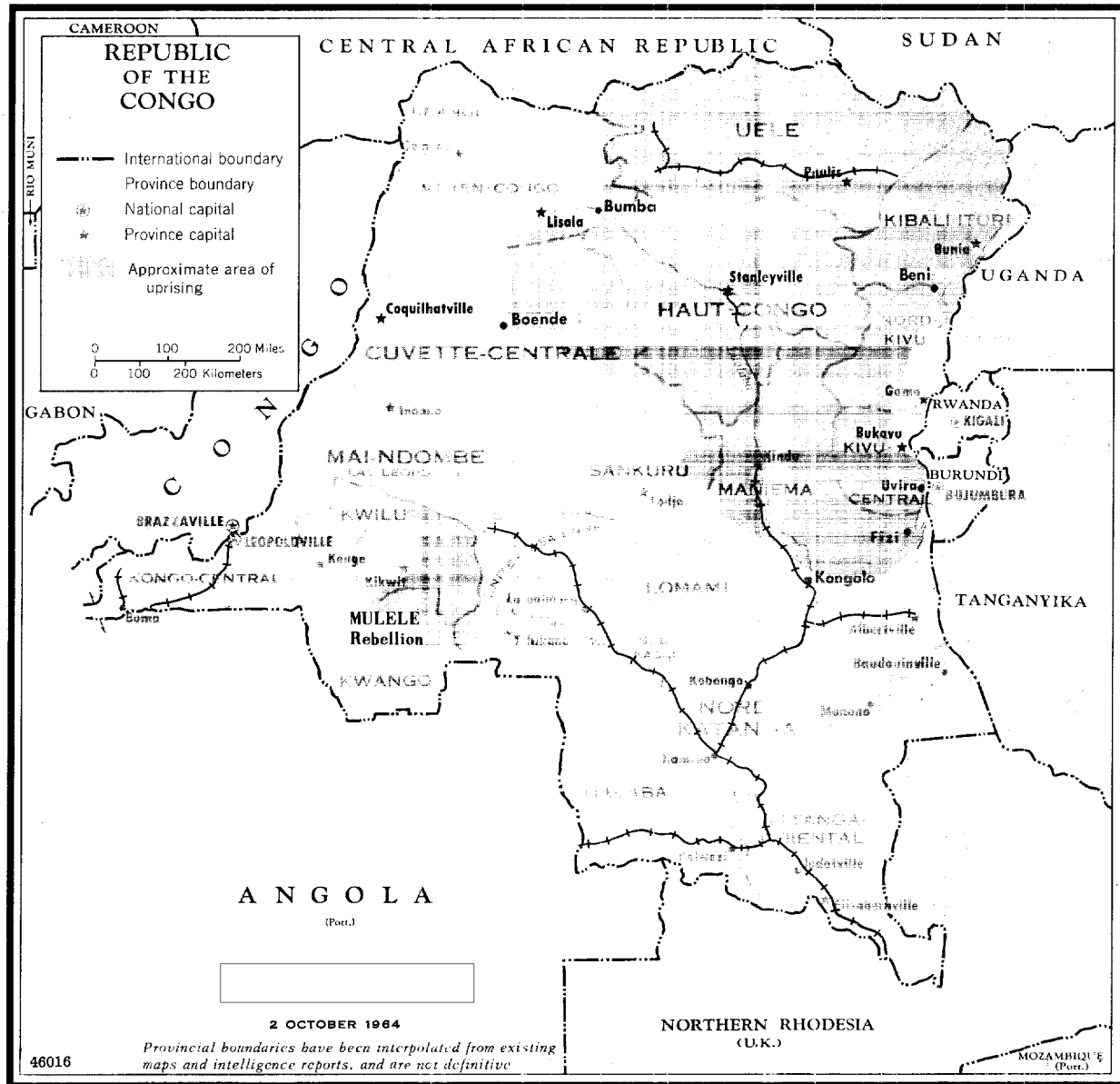
Behind the scenes, the Soviet Union will be trying to influence the conference to take positions not only hostile to the West, but tending to support its ideological stand in relation to Peiping. Moscow hopes the Cairo meeting will score a greater propaganda success than the Second Afro-Asian Conference, scheduled for March, which Communist China will attend.

There are indications that Yugoslavia will support the Soviet position on many agenda items, notably disarmament and nuclear weapons. The absence of U Nu and Nehru, who exerted a moderating influence at Belgrade, will aid Tito's hopes to play a dominating role at Cairo. The Indians seem to view the conference as an opportunity to reassert India's leadership among the nonaligned, but they will be handicapped by Shastri's lack of Nehru's acknowledged stature. Nasir has given little indication of the role he hopes to play as conference host.

Indonesia's Sukarno apparently hopes to gain support for his concept of a conference of "new emerging forces" which would replace both the nonaligned and the Afro-Asian groupings. He has so far blocked an invitation to Malaysia, and can also be expected to attack Western activities as Southeast Asia. Other issues likely to arise include the problems of divided nations (Germany, Korea, Vietnam), colonialism, and economic development and cooperation. Final arrangements are being made by the foreign ministers who convened on 1 October.

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Asia-Africa

CONGO GOVERNMENT HOLDS OWN AGAINST REBELS

The military outlook in the Congo has improved during the past week; but the government continues to be buffeted on the diplomatic scene.

Government forces, including airplanes and mercenaries, apparently have halted rebel advances in the eastern Congo. Congo National Army (ANC) troops appear to have thwarted a major rebel effort on 29 September to capture Bukavu and the neighboring Rwandan airport. Other government units have repulsed and counterattacked a rebel column near Beni, 180 miles to the north.

In northwestern Congo, government troops plan to resume the offensive. The mercenary force that recently captured Lisala--halfway between Stanleyville and Coquilhatville on the Congo River--now controls the road from there to Bumba, 60 miles to the east.

Other government forces, recently repulsed at Boende, 200 miles east of Coquilhatville, have been resupplied and strengthened for another assault. The northwestern province of Ubangi has been cleared of rebels.

The Red Cross mission which flew to Stanleyville on 25 Sep-

tember was unable to free hostages--including the five-man US consular staff--held by the insurgents.

The delegation sent to Washington last week by the special Congo commission of the Organization of African Unity (OAU) privately urged that the US restrain Tshombé's military activities while the commission seeks a cease-fire and a "political solution." Although delegation leader Murumbi of Kenya consistently tended to put the rebels on a par with the Leopoldville government, the group finally accepted a joint press statement which in effect pulls the commission back toward a position more compatible with the Congo's sovereignty.

The next round is likely to take place in Cairo during next week's conference of non-aligned countries. In such a setting, the radical Africans are again likely to hold the initiative. Some African moderates are not planning to attend, and most others will be less effectively represented than the radicals.

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Asia-Africa

DAHOMY SLIDING TO THE LEFT

A leftward drift now has become clearly discernible in Dahomey, previously one of the most pro-Western of the moderate French-speaking African states. The new trend, most evident in foreign relations, appears to stem basically from the year-old revolutionary regime's increasing sensitivity over its inability to show economic progress.

Last week the government signed a series of accords with a visiting East German delegation. These provide for trade and cultural exchanges and the establishment of permanent commercial missions in Cotonou and East Berlin.

As recently as last June Premier Ahomadegbe, while in West Germany seeking an increase in Bonn's \$3 million 1961 aid commitment, had firmly endorsed West German positions on reunification and nonrecognition of East Germany. Concerned about the precedent for other African moderates, Bonn now is making strenuous efforts to block ratification of the recent accords.

Last month Dahomey, which maintains diplomatic relations with Taipei, edged toward recognition of Communist China. The government cordially received the official "good-will" delegation from Peiping now touring west and central Africa. The visit ended in the signing of a joint

communiqué which employs language implying the establishment of a political relationship while explicitly referring only to "economic, technical, and cultural cooperation." There were indications that Dahomey might soon extend formal recognition.

Earlier in September the Dahomean foreign minister skipped the Organization of African Unity's special conference on the Congo--after indicating his intention to attend--in order to spend two weeks in the USSR. Before going, he issued a statement, unprecedented from a Dahomean official, strongly condemning Belgian and US "intervention" in the Congo.

These and other developments--such as the government's toleration of a blatantly pro-Communist student gathering in August--suggest that the pro-Western Ahomadegbe, who has been the regime's dominant personality, has recently lost ground to his political rival, President Apithy. Apithy, long an advocate of wider contacts with the Communist world, evidently won the support of two influential cabinet members for the East German accords and authorized their signing despite a lack of approval from the premier. Although Ahomadegbe is still fighting the accords and apparently also still hoping to sustain Dahomey's long-favored "two Chinas" policy, his frequent underscoring of Dahomey's economic problems and obvious concern over rising domestic criticism suggest he is not really willing to buck the current trend.

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Europe

EEC GRAIN PRICE UNIFICATION: ROUND II

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The French Government, after months of temporizing, has decided to make an "all-out effort" to bring about EEC agreement on a unified grain price by 15 December. The decision [redacted]

[redacted] represents a tactical shift away from France's reluctance to press West Germany on the matter. France's basic interest, however, has always been to create a single agricultural market for its exports with prices low enough not to aggravate domestic inflation. Even if Bonn should become reconciled to accepting price unification, the difficulty of satisfying all the national interests involved may still produce a major showdown within the Common Market before the end of the year.

French support for unified grain prices at the levels specified by Commissioner Mansholt--roughly half way between high German and low French prices--has strengthened considerably the hand of the Commission. Mansholt, however, has told US officials that unified prices cannot be expected before November at the earliest.

The Italians are concerned that a unified price schedule will raise feed-grain prices to the point where Italy's livestock industry would be seriously damaged. Rome may, however, accept the Commission prices if implementation can be delayed. Other difficulties can be expected in determining what subsidy to pay the German farmer for accepting lower prices--a burden which will have to be

shared by the German and EEC treasuries. In addition, "administrative details," which may be the determining factors in setting the actual market prices, will be subject to hard bargaining.

The Commission's problems are complicated by its concurrent responsibility to draw up rules satisfactory to the member states for agricultural negotiations in the Kennedy Round. The Commission has recently been more receptive to US demands for greater EEC "flexibility," but whether the member states, notably France, will accept this, if a grain price agreement is not in sight, is highly uncertain. Even with a price decision, however, a resolution of agricultural rules for the tariff negotiations, satisfactory both to the Common Market and to the other GATT countries, would still leave actual "offers" of trade concessions in the Kennedy Round dependent on further debate among the Six.

Meanwhile, French Agricultural Minister Pisani stated again last week that unified prices were necessary to an EEC common agricultural policy (CAP), and that without a CAP, "no Kennedy Round." Many observers believe, moreover, that the importance of grain price unification extends even beyond the CAP and would, if achieved, create strong pressures within the community also to achieve monetary unification and coordination of business cycle policies. [redacted]

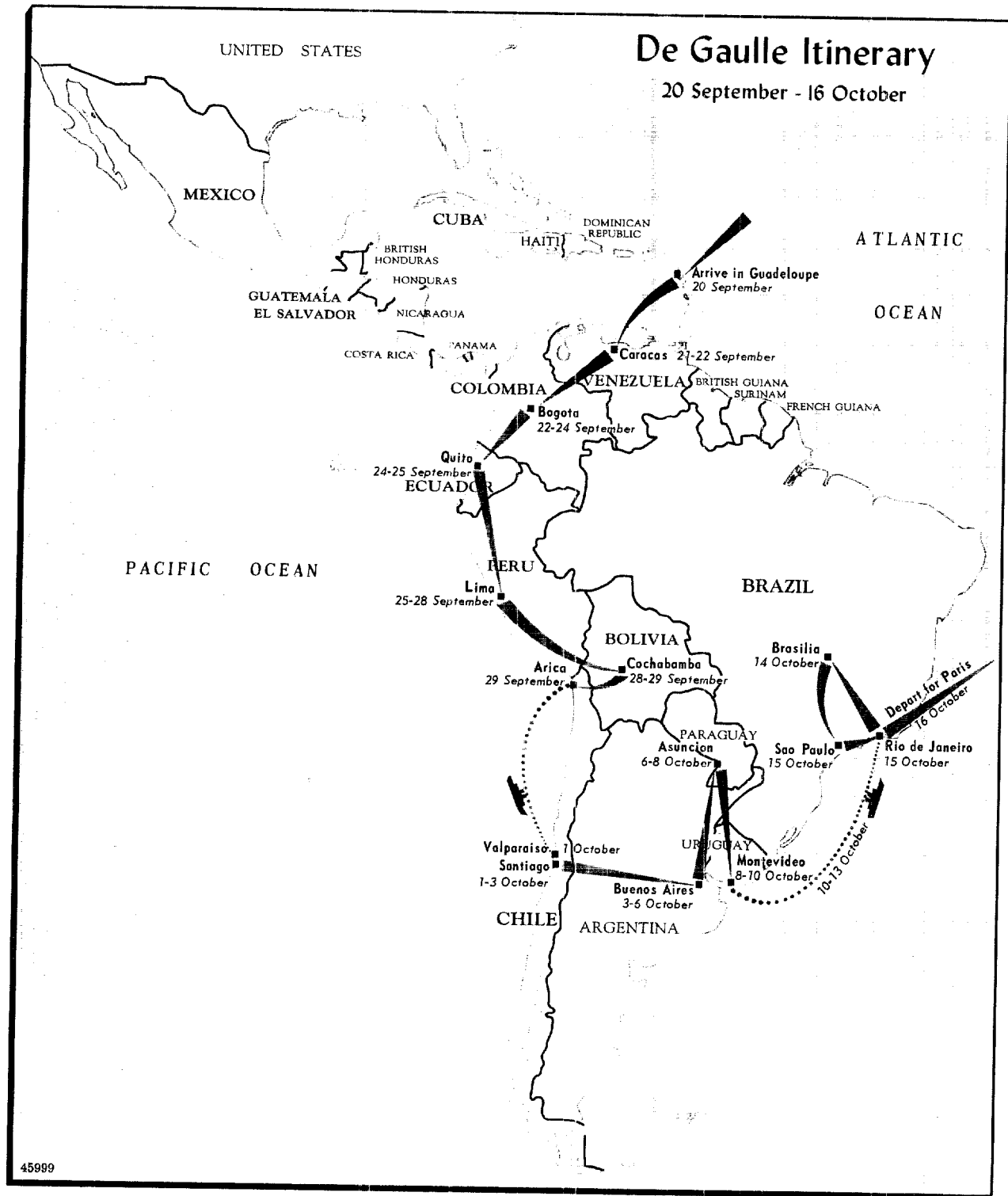
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Western Hemisphere

DE GAULLE'S LATIN AMERICA TRIP

General De Gaulle has completed the first half of his South American tour. Ahead of him are visits to Argentina, Paraguay, Uruguay, and Brazil.

At all his stopovers so far, De Gaulle has attracted large and friendly crowds. The extensive security precautions taken by the host countries to protect De Gaulle have been effective, and the crowd handling has in most cases been faultless. The 73-year-old De Gaulle apparently is bearing up through it all and he looks physically fit.

De Gaulle's rapport with individual Latin American leaders has not been as good as it was with the public. In Venezuela, President Leoni urged that France stop trading with Cuba, but got a chilly response. Colombia's President Valencia publicly stressed the importance of Colombian-US relations.

The Latins also made several strong pleas for better markets and prices for South American commodities in Europe. De Gaulle continued to refrain from offering anything more tangible than limited cultural and technical aid. His appeal to the spiritual

link between Latin America and the Gallic civilization made some impression--with President Belaunde in Peru for example. There was, however, no public acceptance of the implicit theme that a Latin bloc of nations might be developed as a counterpoise to "US hegemony."

De Gaulle will receive a warm welcome in his remaining posts of call, where the French cultural heritage is generally strong, but his "third-force" concept is not likely to get much greater official acceptance than it has up to now.

In Argentina, the Peronist-dominated General Confederation of Labor (CGT) reportedly has called a 24-hour general strike for 5 October while De Gaulle is in the country. It is not yet clear how effective this strike will be, but its timing suggests that the main objective is to gain international publicity for the Peronist protest against a federal court order for the arrest of 119 CGT leaders. This demonstration might be accompanied by an expression of support for De Gaulle's "third-force" movement, with which the Peronists have attempted to identify Peron's "third position."

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Western Hemisphere

COLOMBIA'S INTERNAL PROBLEMS

Political, economic, and military pressures are combining to undermine Colombia's unique system of government. Under the present arrangement, first introduced in 1958, the Liberal and Conservative parties are committed to share government power equally and to alternate the presidency until 1974.

The trouble was spawned by last March's elections which produced a House of Representatives in which the two progovernment parties, with 127 seats, can barely muster the two-thirds majority required to pass vital legislation. Of the two main opposition parties, the Liberal Revolutionary Movement (MRL) retained 30 seats in the elections while the National Popular Alliance (ANP) of ex-dictator Rojas Pinilla, with 26 seats, quadrupled its representation.

The official Liberals and Conservatives are in the majority on paper, but the outlook for their cooperation is clouded by their internal dissensions and personal animosities. The Conservative Party is presently split into two warring factions which show no signs of resolving their differences. The Liberal Party, meanwhile, is maintaining a neutral attitude, refusing to take sides with either of the Conservative factions.

Against this unpromising political backdrop are mounting

signs of public impatience with what many regard as governmental ineptitude in dealing with economic and military problems. Inflation, agricultural shortages, and a rising cost of living have been particularly hard on the working classes. Resentment is being expressed in growing criticism of President Valencia's stabilization efforts. There also have been accusations of corruption within the government.

So far, Colombia's two largest labor unions have backed the government's economic program. The government, however, may be in for trouble from this quarter unless something is done to improve the lot of the workers.

On the security front, the military campaign launched last May against the Communist enclave of Marquetalia has bogged down after some initial successes. The adverse publicity generated by this stalemate has tarnished the reputation of both the government and the military.

The government's viability is likely to be tested when a supplementary budget comes up for a vote in Congress this month. If the government loses, it may well spark a crisis, whose dimensions and course cannot be predicted at this time.

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PANAMA'S NEW ADMINISTRATION

President-elect Marco Robles seems genuinely anxious to reform Panama's corrupt political system, to improve its economy, and to have amicable relations with the US during his four-year term which starts on 1 October. Some long-entrenched interests, however, see Robles as a threat to their power.

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Robles is not a widely popular political figure, but is apparently honest and well intentioned. In the May elections he managed to gain the votes of most of the opponents --both right and left--of popular demagogue Arnulfo Arias. To win an election in which 19 parties competed for some 300,000 votes, Robles made deals with many disparate elements. Some of them are powerful enough to curtail seriously his control of his administration and his freedom of action.

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Robles can count on only a bare majority of votes in the new National Assembly, which will probably be the focal point of pressure on the United States for treaty concessions on the present canal and any studies for a sea-level canal. Irresponsible criticism of the United

States is favorite political tender in Panama, particularly this year when resentment over last January's riots has been nurtured by the Chiari government and sensationalist news media. Two Assembly members are pro-Communists and represent banana workers' unions at odds with the United Fruit company in provinces where there is subversive activity.

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Robles' anti-Communist record as minister of government and justice from 1960-63 offers great improvement over President Roberto Chiari's evident weakness for extreme leftist counsel. Many intelligent, capable, and well-trained ultranationalist leftists, however, still have key positions in government and news media. Robles will be hard put to identify and oust those who may indeed be responsive to Communist or Cuban direction. There is also in Panama, as in other Caribbean countries, increasing evidence that Castro is encouraging early action by groups who favor hard-line tactics of violence and subversion. Castro-contact Thelma King has recently returned from a visit to Peiping, the latest of a number of Panamanians to return this year from Cuba and the bloc, some after extensive training courses.

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BRITISH GUIANA ELECTIONS SCHEDULED

British Guiana Governor Luyt dissolved the legislature on 25 September and announced that general elections will be held on 7 December. Under the new proportional representation electoral system, parties have until 30 October to submit lists of candidates for the new 53-member legislature arranged in order of priority.

By way of acknowledging the recently improved security situation, Luyt released seven political detainees--including extremist Deputy Premier Benn--and intimated he would free more if the situation warrants. Luyt indicated, however, that he intends to maintain order during the pre-electoral period. He said he could not, at present, dispense with the sweeping emergency powers he has had since 13 June.

Meanwhile, campaigning has begun in earnest. Premier Jagan, however, has said recently that ill health and fatigue may force him to limit his campaign activities. This could improve the

chances of the old-line opposition parties--the People's National Congress and the United Force--as well as of the two new East Indian parties which recently appeared on the Guianese scene.

Rallies of the larger Justice Party (JP) have attracted big crowds in areas that are normally strongholds of Jagan's People's Progressive Party (PPP). It remains to be seen, however, whether this is merely curiosity or is indicative of substantial political support.

The smaller Guiana United Muslim Party, at this point, seems unlikely to attract much support. In any event, since Jagan's party won only 42 percent of the popular vote in the last election in 1961 and relied heavily on East Indians to do so, the present three-cornered struggle to capture the East Indian vote further decreases the prospects that Jagan will win again.

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Western Hemisphere

AREA NOTE

Ecuador: Resurgent regionalism in the city of Guayaquil on Ecuador's southwestern coast is becoming a major problem for the governing military junta. Traditionally a center of anti-Quito sentiment, Guayaquil has recently been stirred up by a propaganda campaign which the local oligarchy started against government reforms aimed at centralizing tax collections.

Certain opposition groups are trying to fan this unrest into something that might shake the regime's stability. Included are hard-line Communists, Revolutionary Union of Ecuadorean Youth, Revolutionary Socialist Party, and supporters of former

president Arosemena

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The local military authorities seem ready to quell any outbreaks. Also, some of the leaders of the Concentration of Popular Forces, probably the strongest party in Guayaquil, side with the government. A government delegation sent to the city failed to achieve a compromise solution. The junta, according to Quito radio, has replaced the Guayaquil municipal council with a naval officer, a move which may exacerbate local feeling against the government.

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