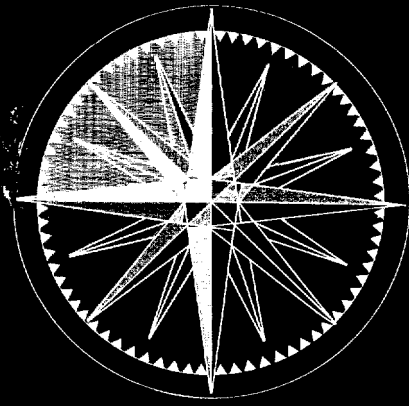


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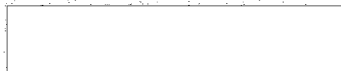
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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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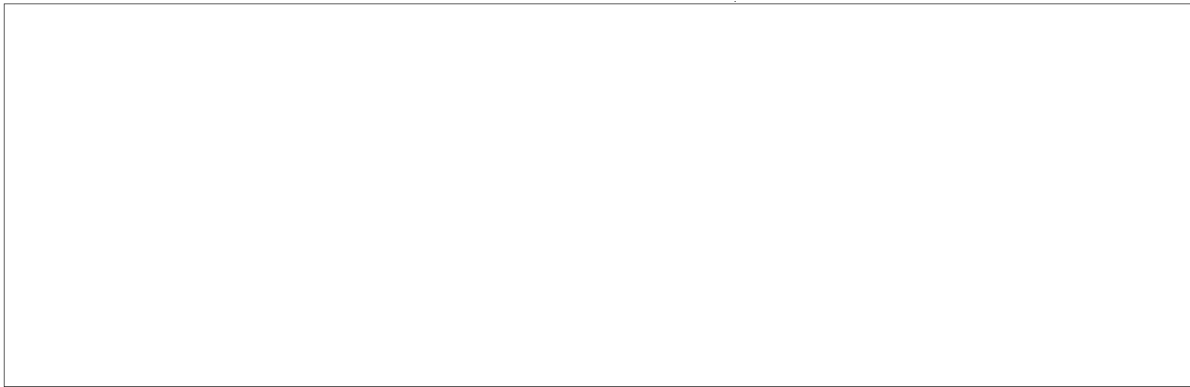
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The junta maintains its shaky hold on the government by not doing anything to arouse concentrated opposition. The Communists and pro-Communist supporters of Juan Lechin, however, are gaining labor and peasant support.

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Leaders of the Peronist movement insist that Peron will return from exile before the end of the year,



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SINO-SOVIET DEVELOPMENTS

With the 7 November celebrations out of the way, the two antagonists in the Sino-Soviet conflict continue to maneuver for advantage behind a tight security screen in Moscow. According to persistent press reports from Moscow, however, the Soviets have agreed to postpone temporarily the preparatory meeting of 26 Communist parties originally scheduled for December.

There is no confirmation of this and other stories that agreement has been reached on bilateral negotiations in Peiping early next year before any larger conference takes place. The fact that most East European Communist leaders left Moscow soon after the anniversary celebration, however, suggests that some such solution to the impasse--a matter of vital concern to them--was worked out fairly quickly.

There have been no indications, however, that any progress has been made in settling basic issues in the Sino-Soviet conflict. Polemic exchanges between Peiping and Moscow will probably continue to be muted, as they have been since the downfall of Khrushchev, at least until bilateral talks begin. During the interim period each side will seek to appear reasonable but it is clear that neither is prepared to make any major concessions.

Events leading up to Chou En-lai's departure for the USSR suggest that Peiping's decision to send a high-level delegation was part of an attempt to take advan-

tage of the leadership change in Moscow and seize the initiative. The move may have been triggered by indications that the new Soviet leaders were planning to go through with the preparatory meeting--something Peiping was determined to forestall. Private statements by Peiping's diplomats and the uncompromising tone of Chinese Communist propaganda make it clear that despite their conciliatory gestures following Khrushchev's downfall the Chinese have been on the attack.

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A People's Daily editorial on 6 November outlined the tough terms Peiping is seeking to impose. Although not openly polemical, its

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tone is arrogant and uncompromising. Asserting that the trouble had arisen through no fault of the Chinese, the editorial condescendingly lectures the new Soviet leaders on ways in which difficulties between Peiping and Moscow can be "gradually resolved." Chief among these is a return to the support of militant revolutionary struggle throughout the world--the "unshirkable obligation" of established socialist states.

Noting that the Soviet "people" had always supported this principle, the editorial declared that they had been betrayed by Khrushchev--the "chief representative of modern revisionism." The editorial, Peiping's first official commentary on Khrushchev's downfall, warned that anyone following his course would inevitably be overthrown. Pointedly withholding approval of the new Soviet leaders, People's Daily asserted that revisionsim is "still the main danger" and smugly advised Moscow on the proper way to maintain party purity.

A key Chinese demand, unflinching struggle against the US, was the central theme in a speech by central committee member Liu Ningyi at a Peiping rally on 6 November. It was given added emphasis on 7 November by Peng Chen, a senior member of the politburo, when he declared that the essential characteristic of a true revolutionary is opposition to "US imperialism." Those who attempt to obscure this vital point, he said, "either have been or are being repudiated."

Although Brezhnev's 6 November anniversary speech strikes an attitude of reasonableness and fair play toward the Chinese, he makes it clear that Moscow will make no concessions on basic policy positions. The Soviet first secretary once again endorsed "peaceful coexistence," singled out the nuclear test ban treaty as an example of steps taken by Moscow to restrict the armaments race, and declared that the USSR is prepared to develop US-Soviet relations in the interests of peace.

In a similar vein, a Pravda editorial on 10 November stressed that "at the basis of Soviet foreign policy is the Leninist principle of peaceful coexistence," and reasserted the Soviet position that "in modern conditions world war is not inevitable." In the past the USSR has accused Peiping of rejecting attempts to promote Communist aims through peaceful means, and charged that the Chinese consider world war unavoidable. The Pravda editorial concluded by repeating Moscow's call for a world Communist meeting, declaring that "at the present time the necessity for a new international conference has obviously ripened," but made no mention of the preparatory meeting previously proposed for this December.

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The role of the Eastern European delegations in Moscow

seems mainly to have been to provide a backdrop of support for the Russians in their talks with the Chinese, while trying to ensure consideration of their desire for a temporizing solution. All of these delegations which were lead by first secretaries were received by Brezhnev and Kosygin. The lower level Czechoslovak, Rumanian and Yugoslav delegations, however, apparently were not accorded such honors.

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DOMESTIC ECONOMIC ASPECTS OF BREZHNEV'S SPEECH

Brezhnev's first major address is noteworthy in three respects as far as the domestic economy is concerned. It contains (1) a new statement on the question of resource allocation; (2) a reaffirmation by the new regime that it will work for further increases in the standard of living; and (3) an identification of agriculture as the problem area of the Soviet economy and the adoption of a more positive attitude toward the private sector in agriculture.

Brezhnev said that the "development of heavy industry must be subordinate to (or "be so designed as to meet"--dolzno podchinyat'sya) the demands of the constant technical requirement of the whole national economy, the needs of defense as well as the interests of the rapid rise of agriculture and the light and food industries."

Although a certain ambiguity is undoubtedly intended in this characterization, it indicates at a minimum that greater attention is to be focused on the end uses of the economic product rather than on economic growth alone. The statement also suggests that the regime will attempt to spur the program for technological improvement that was introduced in 1959-60 but has been faltering since 1961. The increased capital costs of such a program would mean still another deferment of improvements long promised for the consumer.

Regarding defense, the sentence that "as long as no

agreement is reached on disarmament we shall maintain our defense potential on the highest possible level" is the strongest that has yet been made by the new leadership on this subject. This statement, falling in the section of the speech on disarmament, reassures the military that it will not be neglected. The phraseology carried forward the line that has been taken since the coup, that the party and the government "have taken and are taking"--in some cases "will take"--"measures to strengthen the defense potential of our homeland."

Brezhnev's statements also call for increased production of high-quality consumer goods, improved services, and better housing. He treats these consumer-oriented goals explicitly, but adds that the populace must cooperate if the regime's promises are to be fulfilled. Increases in labor productivity and efficiency--both clearly imperative--are held to be possible through better organization and management as well as through tightened labor discipline and concern with quality. Underlying this is the basic question of incentives, which the new regime has already indicated it intends partially to resolve without concern for ideological factors.

The performance of Soviet agriculture is stressed several times in Brezhnev's speech as not meeting the regime's expectations. To rectify this situation, Brezhnev called for

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increased investment in agriculture and in industries supporting agriculture. He also emphasized that more autonomy "should be granted, not in words but in deeds, to collective and state farms in the organization and planning of their communal production." Finally, he acknowledged the need for a "fuller use of the principle of the material interest of the collective farms and the collective farmers."

The most striking evidence of concern for the agricultural situation was Brezhnev's abrogation of "unfounded restrictions imposed in the past few years" on private plots and small-scale animal husbandry allowed the peasants and part of the urban population. This decision has already abolished all such restrictions imposed after 1955 in the Ukraine and will probably be extended to the rest of the country.

The private plots, an anomaly in the Soviet structure, have been tolerated for obviously practical reasons. They occupy only about three percent of total sown area but have consistently contributed a disproportionately large share in the over-all output of potatoes and vegetables. In addition, privately owned livestock provide substantial proportions of the total production of dairy and meat products.

Brezhnev's announcement is the first unequivocal reversal by the new regime of policies instituted under Khrushchev's leadership. His agricultural policy since 1956 had involved a series of restrictions on private produc-

tion which cut the share of the private plots in the total sown area from 4.0 percent in 1955 to 3.1 percent in 1962, and decreased privately owned cattle from 46 percent to 28 percent of all cattle during the same period.

The motives behind these restrictions were both economic and ideological. The private plots compete with the socialized sector for the labor time of the farmers. In addition, the great disparity between the yields on the private plots and on the collective or state farms has been a source of embarrassment to a state committed to the doctrinal superiority of socialized agriculture. Lastly, the private plots supply the farmers, particularly collective farmers, with a considerable share of their money income through sales on the kolkhoz market.

Like the new leadership's decision to grant a considerable degree of managerial autonomy to thousands of factories in the clothing and footwear industries, the recent concessions to private agriculture may indicate that the new regime is searching for more realistic solutions to economic problems. Relaxation of the restrictions on private plots and livestock, however, may be a temporary measure designed to elicit popular support for the new leaders. A similar, lenient attitude toward the private sector in agriculture that was adopted in the 1953-55 period following Stalin's death was reversed after Khrushchev had consolidated his power.

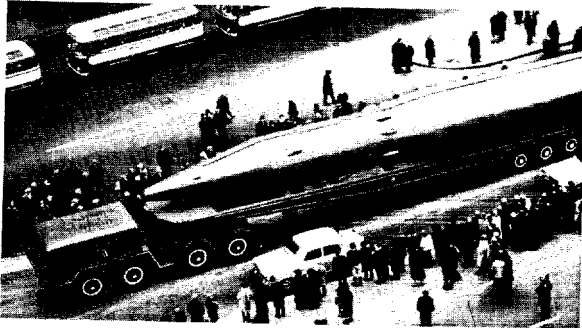
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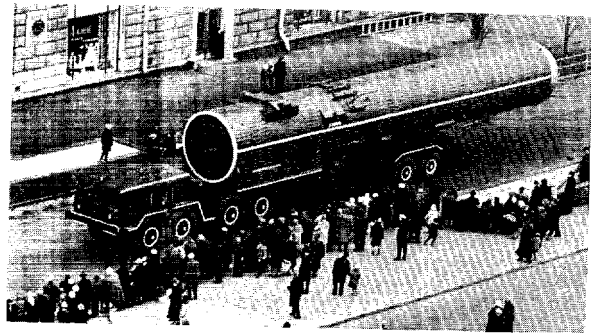
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Soviet Parade Missiles

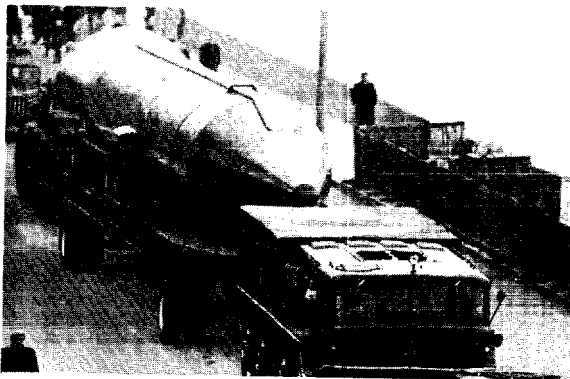
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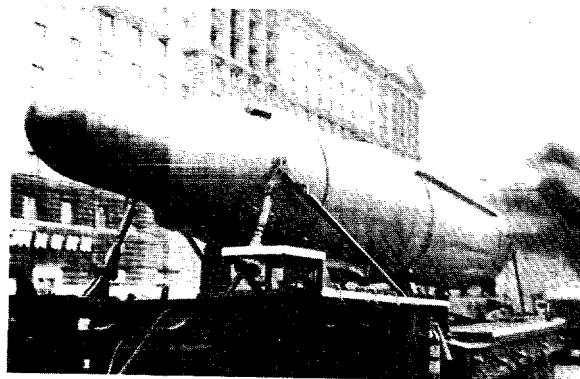
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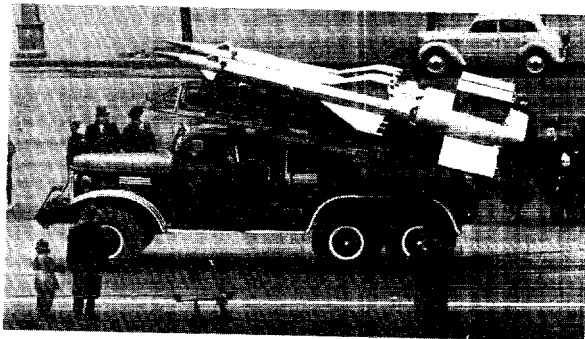
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SS-5 IRBM



NAVAL MISSILE



SA-3 SURFACE-TO-AIR MISSILE



TACTICAL LAUNCHER

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THE BIG PARADE

The USSR displayed six missiles for the first time during the annual October Revolution parade, held on 7 November in Moscow. Among them was an ICBM and a weapon described by Soviet commentators as an antimissile missile.

The ICBM, the first ever publicly shown by the Soviets, is either the SS-7 or the SS-8. Preliminary analysis indicates that it is about 75 feet long and has a maximum diameter of about 12 feet. A two-stage vehicle, it uses liquid propellants. If this ICBM is the SS-7 it is considerably shorter than previous evidence had suggested. Both the SS-7 and the SS-8 have a range of 6,000 miles. They can be fired only from prepared sites.

Also shown for the first time was an antimissile missile enclosed in a metal canister about 64 feet long. One end of the canister was covered by a fabric or plastic hemisphere. Four rocket nozzle covers were visible in the other end. Small wings appeared to be folded inside the canister near the nozzles.

The missile probably is a multistage vehicle boosted by a cluster of solid-propellant

motors. Its size and Soviet commentary indicate a high-altitude, long-range intercept mission against ballistic missiles. It might have an antisatellite capability as well.

Another missile paraded for the first time was the SS-5 IRBM, one of the weapons the Soviets planned to put in Cuba in 1962. The SS-5 is a single-stage vehicle about 78 feet long and 7.5 feet in diameter. It uses storable propellants and has a range of about 2,200 nautical miles. Like the ICBMs, it must be fired from prepared positions.

A new 35-foot naval missile shown in the parade is 13 feet shorter than the Sark, which has been displayed on previous occasions. It might equate to the underwater-launched SS-N-5 missile now carried by a small number of Soviet submarines. The SS-N-5 has a range of about 700 nautical miles.

The SA-3 surface-to-air missile (Goa), which is designed primarily to intercept low-flying aircraft, was also shown for the first time. This two-stage, solid-propellant missile, transported in pairs on a truck, is about 19 feet long and has an estimated range of 10-15 miles.

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A new tactical weapon--a truck-mounted rack containing 40 rocket tubes--was also displayed. These nonnuclear rockets appear to be tailored for close infantry support and have an estimated range of 8,000-10,000 yards. Formerly, the greatest number of rockets that could be salvoed from this type of launcher was 16.

The Ganef ram-jet missile, which in a previous parade had been shown at the end of the air defense section, was among the tactical rockets this time. This placement emphasizes its tactical role, but also suggests that the Ganef may be used as a surface-to-surface weapon as well as for air defense of the field forces.

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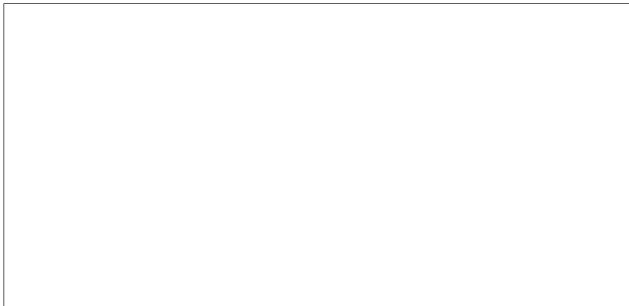
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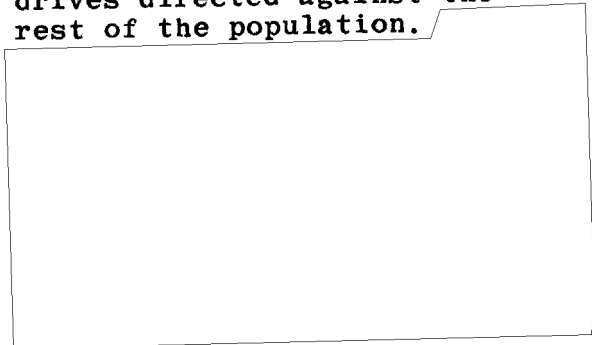
PEIPING STEPS UP CAMPAIGN AGAINST REVISIONISM

The Chinese Communists apparently are beginning to put teeth into their political campaigns. For the first time there are reports that working intellectuals, including teachers and propaganda officials, are being dismissed or punished on charges of holding pro-Soviet or revisionist views.



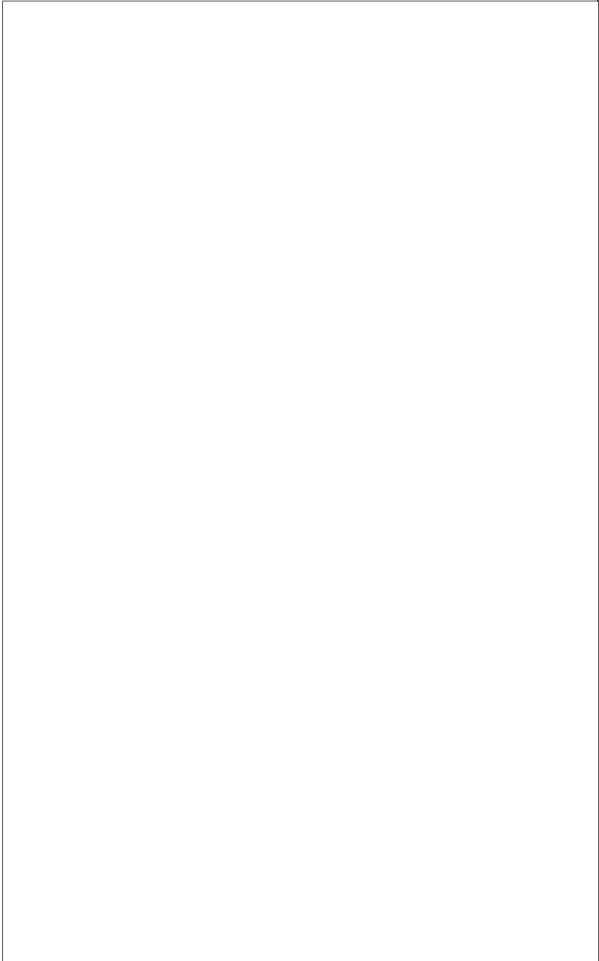
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The sharpening campaign against revisionism--aimed chiefly at intellectuals--is being accompanied by a step-up in the "socialist education" drives directed against the rest of the population.



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A harsher line is called for in the September issue of the Peiping magazine Front Line, which advised rural officials not to be afraid of turning the socialist education campaign into a "violent mass movement." It is not enough, stated the article, to expose and punish counterrevolutionary elements. "The entire reactionary class must be supervised so that the reactionaries can be transformed into new men through labor."



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An even more authoritative article by An Tzu-wen, the director of the organization department of the party's central committee, recently called for increasing vigilance against class enemies who "disguise themselves and work their way into party and state organs to struggle against us." According to

An, whose infrequent writings usually have been associated with purification drives, the solution is to have the party apparatus "regularly and intensively investigate cadres... and become thoroughly familiar with their life histories and current activities." [REDACTED]

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HANOI SEES PROSPECTS BRIGHT IN VIET CONG WAR

North Vietnamese propaganda recently has taken a more optimistic view of Communist prospects in the war in the south and occasionally has predicted a rapid disintegration of anti-Communist resistance. The references to a "long and arduous" struggle which tempered last spring's cautious optimism have all but disappeared.

The increasingly confident line seems to date from the abortive 13 September coup in Saigon. The resulting disarray in anti-Communist ranks led Hanoi to claim that the US and its "henchmen" were facing the "biggest, most powerful, and dangerous storm" in the course of the war. This coup apparently encouraged the Communists to believe that one or more South Vietnamese Army commanders might defect, set up an independent enclave, and even join with the Communist National Front for the Liberation of South Vietnam (NFLSV).

Following the 13 September coup, both Hanoi and the NFLSV attempted to encourage further defections by giving extensive play to civil and military uprisings such as the Montagnard rebellions in Central Vietnam in September and October. Recently, the NFLSV announced the formation of a "liberation force" military unit made up exclusively of two former ARVN platoons which deserted in June and August. In a 25 October radio commentary, Hanoi predicted that within "a few weeks" desertions will drastically reduce ARVN strength.

The bulk of this propaganda has been broadcast directly to South Vietnam, much of it in programs pitched specifically to the ARVN. By it the North Vietnamese hope to encourage a sense of frustration and futility on the part of the South Vietnamese troops. The bold 31 October attack on

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Bien Hoa Airfield has given added impetus to the Communist propaganda campaign. The destruction of US bombers has been portrayed as an illustration of the vulnerability of the dreaded US Air Force to attack and destruction by the "peoples" forces.

Despite occasional references to an imminent end to the conflict, it is unlikely that the North Vietnamese actually believe victory to be so close. Hanoi is still obviously concerned that the Viet Cong conserve their carefully built military strength and avoid rash and precipitate action. The Viet Cong have undoubtedly made remarkable progress in the past

year in building their military strength. Recent US intelligence estimates indicate that perhaps as many as 5,000 hard-core Viet Cong were infiltrated into South Vietnam from the north during the first six months of this year. On 6 November, Hanoi quoted a French paper to the effect that the Viet Cong control four of the six northern provinces and that "South Vietnam will soon be cut in two." Despite rapid growth, however, the Viet Cong hard-core military force is still considered inferior to ARVN in conventional war capability and will necessarily be confined for the time being largely to guerrilla-type warfare. [REDACTED]

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AREA NOTE

Poland: With the sentencing of Polish-born US citizen Melchior Wankowicz to three years in prison for "slandering People's Poland abroad," the Polish regime has worsened the dilemma arising from Gomulka's determination to establish party controls over the intellectuals. Caught in their own web once Wankowicz was brought to trial, the authorities have attempted to improve their position by immediately reducing the popular writer's sentence to 18 months, and freeing him on bail for three weeks pending his decision whether or not to appeal.

Various reports indicate that he will choose imprison-

ment rather than appeal, in order to dramatize the struggle. If he goes to jail, he will become a hero to most Poles, who believe him innocent. If he is freed in Poland, the secret police will be humiliated. If he is expelled, he is likely to continue his attacks on what he considers the regime's "destruction of Polish culture," from a sanctuary in the West.

After this inept performance by the regime, Polish intellectuals probably will soon openly resume their fight for less censorship and a more relaxed policy toward cultural affairs by the regime. [REDACTED]

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INTERZONAL TRADE

Trade in 1964 between East and West Germany under the interzonal trade agreement seems likely to surpass the record of \$500 million set in 1960, perhaps by as much as 10 percent. Encouraged by the improvement in relations this year, and by the conclusion of a number of recent agreements in which East Germany's desire for increased trade played a vital role, West Germany is considering several measures to ensure the continuation of IZT at a high level in 1965.

Just before Kurt Leopold retired on 31 October as chief of West Germany's Interzonal Trade Office, he agreed to increase West German deliveries of phosphate fertilizers to a total value this year of \$10 million, or twice the 1963 level. This amount is in addition to \$25 million worth of nitrogenous fertilizers, included in IZT for the first time this year. Leopold also agreed to a \$5-million increase in the value limits for East German machinery imports and exports and an increase of an undisclosed size in East German grain deliveries.

To keep trade expanding, West Germany may agree to grant additional medium- and long-term credits and to postpone for another year the 30 June deadline for cash settlement of imbalances in IZT accounts. West Germany probably will also continue to compensate East Germany another year for losses it suffers as a result of the 1963 West German oil tax law. East Germany would like to increase the amount of imbalance permitted in IZT accounts, which gives it in effect interest-free credit from the time of purchase until the annual cash settlement. West Germany is likely to insist on some political concessions in return, however.

Although he has had no experience in IZT matters, Leopold's successor, Alfred Polack has long been associated with the Economics Ministry in Bonn. He has said that the status of the IZT office will remain unchanged under his direction. The East Germans, however, may initially dispute his credentials and his authority to negotiate for West Berlin.

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Asia-Africa

SATO TAKES OVER AS JAPAN'S PRIME MINISTER

The selection of Eisaku Sato to replace the ailing Hayato Ikeda as Japan's prime minister brings to power a skilled, experienced politician who has cultivated a more activist image than his predecessor.

Sato had narrowly missed ousting Ikeda from the presidency of the Liberal Democratic Party (LDP) last July, but this time won the top prize when Ikeda broke a deadlock by endorsing his candidacy. By emphasizing continuity in cabinet personnel and policy, Sato will retain the solid backing of the LDP which manages to overcome fierce internal factional battles when it faces the socialist opposition in the Diet. A cabinet reshuffle can be expected before long in keeping with the new balance of factions behind him.

Sato's record in recent years points to further changes ahead. In the past, he strongly criticized both Ikeda's generally conciliatory approach to politics and certain key policies. Sato's advocacy of a "high-posture" approach to political opponents inside and outside the LDP implies a less compromising program in both domestic and foreign fields. His recollection of the turbulent 1960 events under his brother, Prime Minister Kishi, is nevertheless likely to restrain him somewhat.

In foreign affairs, Sato's proclivities point toward a demonstration of greater independence within the framework of a generally pro-Western orientation. The new prime minister has indicated his desire to work closely with the US on defense matters and on Southeast Asian affairs, and to improve relations with Taiwan and South Korea. A tough bargainer, he may be expected to demand in return US concessions on such sensitive economic issues as impediments to Japanese trade and investment in the US, fishing rights in the North Pacific, and civil air routes.

Sato has stated that he will carry on Ikeda's highly popular policy of developing economic and cultural ties with Communist China. He probably shares a widely held view in Tokyo government circles that Peiping's admission to the UN is inevitable and might come next year. Japanese policymakers have indicated they expect to offer diplomatic recognition to Peiping when this occurs. They apparently hope to persuade both Peiping and Taipei eventually to accept a formula of "one China - one Taiwan" despite the adamant hostility of both to such a concept.

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NEW SOUTH VIETNAM CABINET UNDER FIRE

The new civilian government in Saigon has failed to generate any enthusiasm among either the civilian populace or the military. Almost as soon as the cabinet was announced, the acting president of the High National Council resigned in protest over its inadequate political composition. His criticisms have been echoed in the press and political circles, as well as among Buddhists, Catholics, and students who further resent Premier Huong's statement that politics must be divorced from religion and from the schools.

Huong has so far averted any public demonstrations against his government by warnings of strong countermeasures and by retaining the public backing of General Khanh. Privately, however, five army generals representing various military factions are predicting that Huong's government, in its present form, will not last beyond November. Buddhist leaders claim that they plan no overt protests, but students in Saigon have reportedly threatened demonstrations this weekend if the cabinet is not revamped. A reshuffle may be discussed when Huong meets with the High National Council on 13 November.

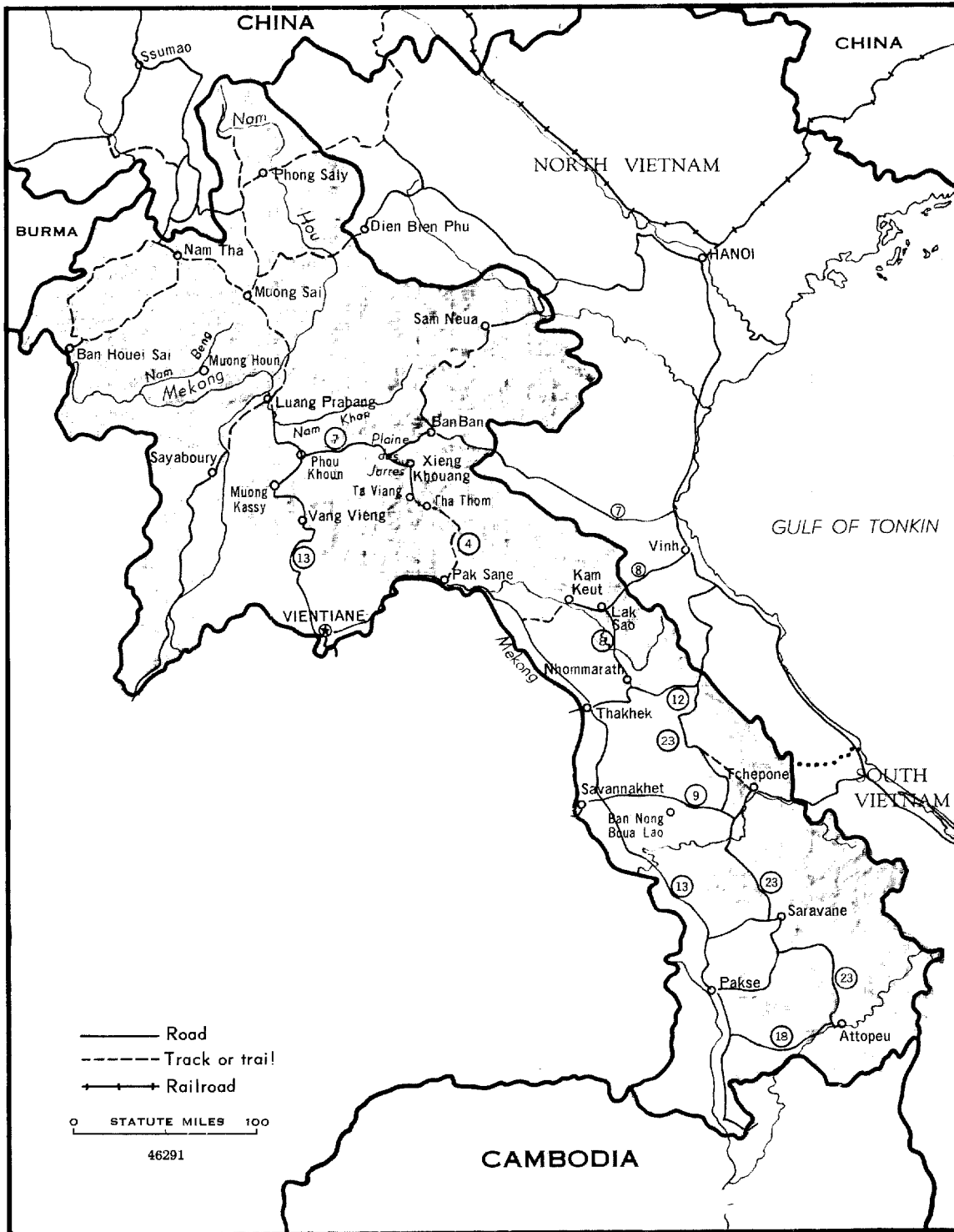
Huong has publicly appealed for unity and admitted that his

cabinet is not perfect, but emphasized that it is intended to serve in a transitional period. He apparently plans to take some short-range measures to try to stabilize the civilian and military apparatus for the government's pacification effort. In addition to private expressions of shock at the Viet Cong mortar attack last week on US aircraft at Bien Hoa airfield, much of the Saigon press, and General Khanh himself, are reviving the subject of expanding the war to the North. Huong also has implied that he believes retaliation against North Vietnam may be needed to bolster morale and rally support.

With the exception of the Bien Hoa attack, Viet Cong military activity, both in terms of scale and intensity, has remained at the relatively reduced level of recent weeks. Of 547 total incidents reported last week, sixteen were armed attacks, one possibly of battalion size; the remainder consisted primarily of terrorism and sabotage against government lines of communication. The generally constant rate of Communist activity over the past month suggests that the Viet Cong may be deliberately holding back in order to be able to exploit any political developments in Saigon. In the general coastal provinces, where refugees from Viet Cong harassment in the

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countryside are already flocking to some major cities, the hard-pressed government position may be further strained by extensive flood and typhoon dam-

age. One government junk force unit was extensively destroyed, and aircraft have been diverted to assist the civilian population. [REDACTED]

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LAOTIAN FORCES JOCKEY FOR POSITION

The military situation is becoming more active as Communist and government forces try to improve their positions.

In the hills east of the Plaine des Jarres, opposing forces are vying for control of dominant terrain features. The Pathet Lao, supported by troops from North Vietnam, have mounted several operations over the past two weeks to clear Meo guerrillas from outposts near the strategic Route 7 supply artery. Reports indicate that the flow of troops and materiel over this route from North Vietnam to the Plaine des Jarres area is continuing, and perhaps increasing.

Although there are no firm indications that the Pathet Lao are contemplating any major push, it is possible that limited moves may be made to counter recent government advances. Communist forces have sharply countered a pre-emptive rightist operation designed to clear the northern

approaches to Tha Thom, and now threaten to take the town.

Farther south, government forces with air support are attempting to dislodge Pathet Lao from positions east of Savannakhet in the Ban Nong Boua Lao area. This move has met with some limited success.

Meanwhile, desultory negotiations have continued in Paris among representatives of the three factions. The neutralists remain insistent that reconvening the 14-power Geneva Conference be preceded by a Pathet Lao withdrawal to 16 May positions on the Plaine des Jarres, a cease-fire, and Pathet Lao acceptance of Souvanna as head of a joint delegation in his role as premier. Souvanna now seems inclined to suggest that the talks be broken off in Paris and reconvened in Laos. [REDACTED]

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Asia-Africa

CYPRUS DISPUTE STILL ON DEAD CENTER

There has been little progress in returning Cyprus to normal. Diplomatic positions appear as divergent as ever. NATO Secretary General Brosio found both Greek and Turkish governments still adamant behind their established policies during his recent visit to the two capitals.

Tension rose sharply in the Kokkina area of northwest Cyprus last week when both Turkish and Greek Cypriot forces pushed their lines forward. At one point only 20 to 30 yards separated the opposing forces. Swedish troops of the UN command apparently have succeeded in establishing a new cease-fire line.

President Makarios has ignored Vice President Kuchuk's proposal for a full meeting of the cabinet, including the Turkish Cypriot members, to discuss the rehabilitation of some 25,000 homeless Turkish Cypriots. The Greek Cypriot press, quoting a government official, said the proposals were couched in "insulting terms" and declared that Kuchuk no longer was vice president because he had led a rebellion against the government.

Some Turkish Cypriots are beginning to return to their homes even though they must live

under Greek Cypriot rule. About 50 of them returned to a village near Paphos in the southwest last week despite threats against them by militant Turkish Cypriots in the area.

Factionalism within the Greek Cypriot community continues. The largest Nicosia daily has accused Minister of Interior Georkatzis of working closely with a Western intelligence organization. The publisher of this newspaper is Nicos Sampson, an occasional confidant of Makarios and leader of an important irregular fighting force last winter.

Both Cypriot communities have tried to exploit the communique issued after Turkish Foreign Minister Erkin's visit to Moscow. The Turks have concentrated on the passage about the need to respect existing agreements and the recognition given to the two "national communities" on the island. The Greeks note the lack of any mention of the London-Zurich Agreements, which entrenched Turkey's interests in the new republic, and emphasize that Turkey agreed on the necessity of finding a "peaceful solution" to the dispute.

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Asia-Africa

INSTABILITY IN THE SUDAN

Both the cabinet and the National Front which led the drive for civilian government in the Sudan have come under heavy Communist influence, and the general situation is still unstable.

The new civilian government has drastically reduced the army's ability to make any successful countermove. All leaders of the former junta--except figurehead President Abboud--and several key security officials were arrested on 9 November. These arrests were prompted by the army's removal of several junior officers on charges of pro-Egyptian political activity. The Communists quickly organized widespread demonstrations protesting this step, demanding immediate action against the military. The junta members are now imprisoned, and Abboud has been relieved as army commander.

Reports that the army was retaliating by moving armored units against the new government brought out large crowds in protest. A Communist started the rumors by an unauthorized radio-broadcast, probably as part of a campaign for further army purges. The Egyptian Embassy was sacked during the disorders. The attack may have been aimed at arousing anti-UAR sentiment and undercutting Egyptian influence among non-Communist groups.

Non-Communist cabinet members still control the key ministries. The Communists, however, reportedly dominate all cabinet

sessions, and are promoting establishment of a paramilitary national guard under their control. Another Communist has been elected to the cabinet as a representative of the unions. Communists continue to show that they can call successful strikes and demonstrations at will in order to press their demands.

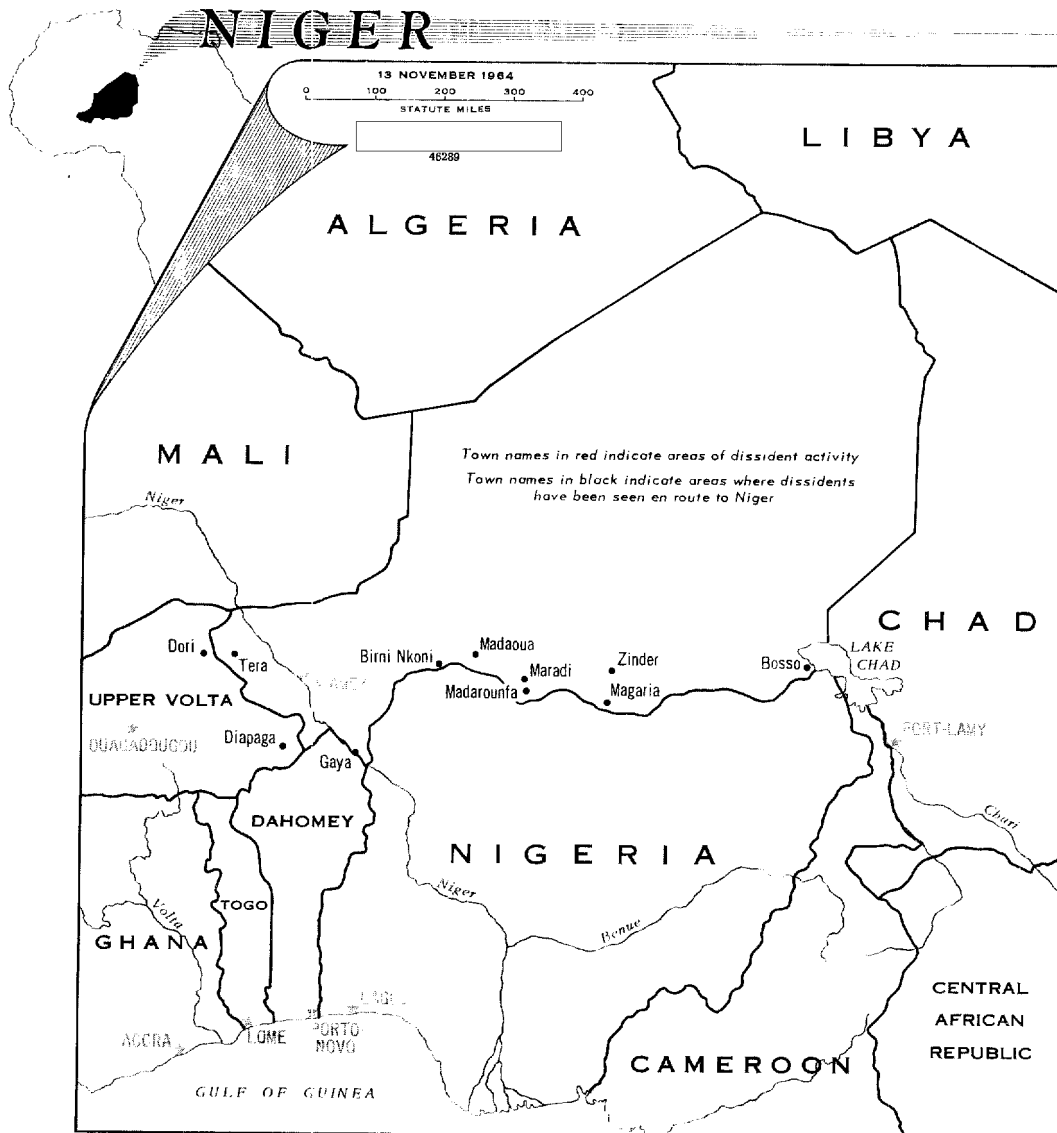
Other political elements in the coalition government have not yet been able to develop comparable singleness of purpose. However, they are now alert to the rapid expansion of Communist influence. Representatives of non-Communist parties have condemned the Communists' role in inciting the disturbances. The influential and usually anti-Communist Ansar brotherhood staged a march in protest against the demonstrations. Pledges to liberalize the government's southern policies immediately are probably aimed at winning the voting support of southern cabinet ministers. The Negroid southerners have reportedly been voting consistently with the Communists in exchange for the Communists' support of their separatist ambitions.

The pro-Egyptian National Union Party and the two religious brotherhoods--the Ansar and the Khatmia--still have considerable support in the army which may yet aid them in future maneuvering against the Communists.

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Asia-Africa

NIGER DISSIDENTS LAUNCH ARMED ATTACKS

Dissidents, evidently operating out of Ghana, are attempting to overthrow conservative President Diiori's shaky regime in Niger. The dissidents' efforts thus far have been clumsy and poorly organized, but they have shaken Diiori and appear to be securing some popular support.

Since early last month, small armed bands have assaulted and sabotaged government installations in southern and western Niger. The Nigerien gendarmerie have reportedly thwarted the ill-equipped invaders and four captives have been publicly executed. The bands are evidently infiltrating into the sparsely populated country from adjacent upper Volta, Mali, Dahomey, and Nigeria.

All available evidence indicates that these dissidents are adherents of the outlawed Sawaba party led by exiled former Niger premier Djibo Bakary, who has for some time been based in Accra. Ever since the French ousted him from the premiership in 1958, Bakary has maintained close contacts with foreign Communists and kept his radical party alive clandestinely.

In a raid in southwestern Niger last week, the dissidents were assisted for the first time by members of Diiori's own Djerma tribe. Although Bakary is also a Djerma, his main support has come from the 1.5 million Hausa in southeastern Niger who are currently excluded from the government. This incident probably reflects the considerable antipathy which the Diiori regime has

aroused throughout the country for its failure to achieve economic progress and for the brutal repressive measures some of its members have employed. Local support during this raid has heightened French apprehension about the future course of events in Niger from which most French troops now are being withdrawn.

Upper Volta, Nigeria and apparently even radical Mali have joined in the effort to round up the dissidents, but Diiori believes the Dahomean Government and Ben Bella's Algeria are collaborating with the Ghanaian-backed Sawaba party. There is no firm evidence to support his suspicions, even though Dahomeans are still smarting over Diiori's expulsion of Dahomean nationals last year. Paris' efforts to reconcile the governments of these two former French territories have thus far failed.

Diiori also claims that the Chinese Communists are ultimately directing the attacks. Peiping would presumably prefer a Bakary government and there is some evidence that at least a few of the infiltrators received guerrilla training in China in the past. The Chinese probably are not as deeply involved in these incidents as Diiori has charged, however, for they are not likely to risk jeopardizing the headway they are making among the moderate former French dependencies in their drive for diplomatic recognition by committing themselves to a cause with such uncertain prospects.

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AREA NOTES

Asia-Africa

Congo: The rebel regime is probably on the verge of collapse. The fall of the rebel redoubt in Stanleyville, however, may be accompanied by a bloodbath of European and American hostages.

Government forces are rapidly converging on Stanleyville from three directions. The main thrust is in the eastern Congo. On 5 November, Kindu capital of Maniema Province, fell easily to a 300-man Congo Army - mercenary force in Kindu. In the northwest, army units were also pressing on from Bumba down the Congo River and from the south from Ikela. All indications are that the government columns will meet little resistance.

As the insurgents apparently are aware of their predicament,

Rhodesia: The immediate threat of a breach between the British Labor government and Salisbury over the Rhodesian independence program has receded. Prime Minister Smith's recent maneuvers indicate he hopes to avoid a final confrontation until he can somehow rally all Rhodesian whites who want independence. Many of them shrink from incurring the sanctions which on 27 October the British warned would follow a unilateral declaration of independence.

The predominantly white electorate on 5 November approved by a 9-1 margin a referendum for independence on the basis of the pres-

the situation of the European and American hostages held by the rebels has become increasingly precarious. Six more Europeans have been executed recently in addition to the three slain at Boende last month. The Europeans freed in Kindu claimed they were within a few minutes of death when the Congo Army column arrived. Several hours before the government troops entered the town, rebel authorities departed, leaving the Europeans exposed to the caprice of what the hostages described as "uncontrolled hordes of savage teenagers." Should Stanleyville officials also decide to flee--as seems likely--a similar situation could occur in the rebel capital.

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ent constitution, which entrenches the white minority's position. Smith has interpreted this as endorsing his government's increasingly hazy policy on independence. However, the British remain determined to oppose independence until majority rule is attained through constitutional reforms, and with Smith's opposition to such reforms freshly backed by the electorate, prospects for resolving the impasse remain bleak. Since London's repudiation of Smith's independence program, neither Smith nor the opposition Rhodesia Party is yet ready to confront the electorate with a clear-cut choice on the actual alternatives the country faces.

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Europe

BONN'S EUROPEAN PROPOSALS

West Germany last week submitted to its Common Market partners a two-part program outlining steps toward political union and further economic integration within the existing community framework. It also leaves the door open to eventual participation by other countries.

Prior to the conclusion of a formal political union treaty, Bonn envisages a series of consultations on foreign, military, and cultural policies on the basis of an "executive agreement" among the Six. Although the stress on intergovernmental cooperation is designed to appeal to the French, the program carries enough of a supranationalism tone to disturb Paris. This is a proposal that a "consultative committee" facilitate cooperation and draft a definitive treaty.

The economic proposals call for coordination of national taxes, and business-cycle, monetary, and budgetary policies. They also provide for EEC control over its own revenues. In sev-

eral respects Bonn's plan goes beyond the EEC Commission's own proposals and represents a considerable commitment on Bonn's part to effective economic union.

Initial reaction to these proposals has been colored by the positions the various member countries have taken in the dispute over grain prices and the MLF. Paris has given notice that any discussions of a common defense policy must include a review of the MLF project. French officials have also criticized the German proposals for not specifically calling for grain price unification. The Dutch meanwhile are apparently planning to present their own ideas on European political union in order not to appear isolated by adopting a negative attitude toward Bonn's ideas. The Dutch presumably would push for a clearly supranational Europe with a greatly strengthened European parliament and would also insist on British participation from the beginning.

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Western Hemisphere

BOLIVIAN JUNTA STILL IN CONTROL

The new military junta, headed by General Rene Barrientos, is managing to maintain a precarious hold on the reins of government by avoiding any actions which might drive certain political parties and powerful interest groups into open opposition. The junta's lack of qualified administrators is causing considerable confusion in the government's affairs.

Communist and pro-Communist supporters of former vice president Juan Lechin are making gains among urban labor and peasant organizations that were formerly controlled by Paz Estenssoro and the Nationalist Revolutionary Movement (MNR). In La Paz, construction workers, street vendors, factory workers, municipal employees, and flour mill unions have fallen under the domination of the Communists and Lechinists. The loyalties of the large railroad workers' federation and the teachers' federation are presently divided. In addition, a new peasant federation has been formed by Lechinist elements to absorb those peasants who used to be controlled by MNR.

Student organizations, heavily infiltrated by Communists and Lechinists, seized control of radio stations in La Paz and Cochabamba last week, apparently with the sanction of military authorities.

The junta's strategy, meanwhile, has been outlined by Minister of Economy Julio Sanjines Goitia. He says the regime rec-

ognizes its weakness, but that it is doing all it can to buy time until it is militarily strong enough to prevail in any armed conflict which might develop. A large increase in the size of the military is the cornerstone of this policy.

For tactical reasons, political parties, the students, miners, and labor groups continue to claim they support the junta. They too, however, are buying time in order to organize, strengthen their membership, and develop their strategy.

The primary objective of the Communist Party (PCB) is to infiltrate and work for a common front with Lechin's National Leftist Revolutionary Party (PRIN). By itself, the PCB poses no immediate threat to the junta. An alliance between the PCB and PRIN, however, would represent a concentration of manpower and weaponry which could seriously challenge the military for control of the government.

The junta so far has not been recognized as the government of Bolivia by any country. Venezuela and Costa Rica broke diplomatic relations with Bolivia last week, while most Latin American governments are maintaining a wait-and-see attitude. The Latins are primarily concerned about the stability of the junta, the maneuverings of extreme leftist elements, and the junta's plans for returning the country to civilian rule. Junta members talk of holding elections in six months to a year.

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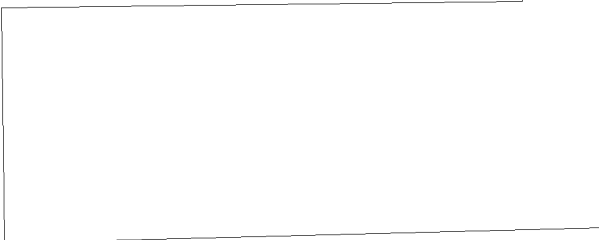
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Western Hemisphere

CAMPAIGN FOR JUAN PERON'S RETURN TO ARGENTINA

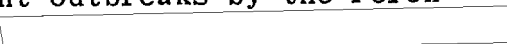
Many leaders of the badly split Peronist movement continue to insist that Juan Peron will keep his promise to return to Argentina from his exile in Spain before the end of the year, despite legal obstacles and military opposition. Five of these leaders, known as the "Committee for the Return of Peron," are now in Madrid and may have had some success in extracting a commitment from the ex-dictator.



In Argentina the outlawed "official" wing of the Peronist movement is pushing for Peron's return in order to press the government into legalizing its political status. More importantly, they feel it is essential to restore the movement's fortunes which have sagged perceptibly ever since the "official" group failed to do well in the July 1963 elections. In fact, a subsequent effort to reorganize the movement not only fell through, but the "neo-Peronist"--those who favor Peronism without Peron--have tended to cooperate more and more with other political groups.

The Peronist grip on organized labor also has been loosened by the withdrawal of the "independent" unions from executive positions in the Peronist-dominated General Confederation of Labor (CGT). This has undercut their so-called "battle plan" which is aimed at extracting political and economic concessions from the government through illegal plant seizures and the threat of violence. Riots provoked during last month's visit by President de Gaulle and on the Peronists' anniversary day also diminished their prestige.

Despite persistent Peronist provocation, the Illia government has maintained a tolerant attitude toward Peronist activities. It hopes to encourage the reincorporation of the Peronists into the political life of the nation without Peron, and to gain some Peronist support for Illia's party. The campaign for Peron's return, however, may yet turn into a desperate effort to create instability and precipitate a political crisis. The Argentine armed forces, supported by a majority of Argentines, can be expected to employ strong measures to suppress any violent outbreaks by the Peronists.



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