

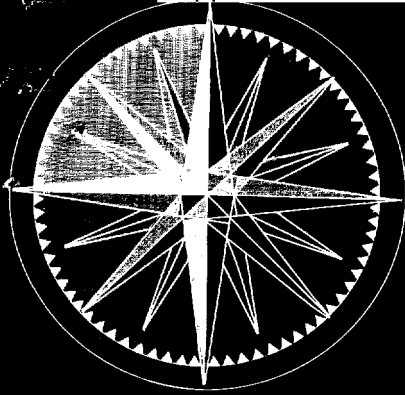
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23 April 1965

OCI No. 0286/65

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# WEEKLY SUMMARY

State Dept. review completed

## CENTRAL INTELLIGENCE AGENCY

### OFFICE OF CURRENT INTELLIGENCE

ARMY review(s) completed.

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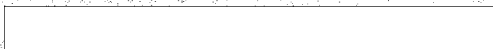
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## C O N T E N T S

(Information as of 1200 EST, 22 April 1965)

	<u>Page</u>
<b>VIETNAM</b>	<b>1</b>
<p>A high-level party-government delegation from North Vietnam held secret talks last week in Moscow, and now is in Peiping. The joint communiqué following the Moscow visit contained a conditional Soviet pledge of assistance somewhat stronger than Brezhnev's last month, possibly to set the stage for an announcement of the dispatch of Russian personnel along with Soviet SAM equipment which almost certainly is en route to the DRV. Peiping, meanwhile, has put a National People's Congress stamp of approval on its own previous conditional pledges of aid. As US and South Vietnamese air strikes on the North continued during the past week, Hanoi showed signs of concern over possible escalation of the air war but maintained its independent posture with regard to any form of negotiations.</p>	
<u>THE COMMUNIST WORLD</u>	
<b>COMBAT POTENTIAL OF SA-2 SAM SITES</b>	<b>6</b>
<p>A single SA-2 surface-to-air missile site can handle only one target at a time and needs the services of a technical support battalion to achieve any sustained level of combat readiness.</p>	
<b>ANTIREGIME PLOT SCOTCHED IN BULGARIA</b>	<b>7</b>
<p>The plotters' probable goal was to loosen Bulgaria's sycophantic ties to Moscow. Little is known of the extent of the group's support, but it is unlikely the regime's stability has been seriously weakened.</p>	
<b>NEW TREATY REFLECTS ALTERED SOVIET-POLISH RELATIONSHIP</b>	<b>8</b>
<p>The long bargaining which apparently preceded the formal signing and the divergent interpretations of the treaty by each side reflect a new relationship based on a mutual accommodation to diverse national interests.</p>	
<b>RUMANIAN FOREIGN POLICY PROBLEMS</b>	<b>9</b>
<p>The new Rumanian leaders, having failed to expand commercial relations with the US significantly and hard put to ignore pressure for Communist unity on Vietnam, are finding fewer options available to them in furthering their national interests.</p>	

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**SECRET**THE COMMUNIST WORLD (continued)Page

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ASIA-AFRICA

- INDONESIA CELEBRATES BANDUNG CONFERENCE ANNIVERSARY** 11  
 Following the Djakarta phase of the celebration--which produced nothing but the expected anti-Western speeches --the Japanese delegation traveled to Malaysia, where it proposed a Malaysian-Indonesian summit meeting in Tokyo. Malaysia's Rahman has agreed.
- THE KURDISH WAR -- ROUND FOUR**  
 Renewed fighting between the Iraqi Army and the Kurds seems likely to be as indecisive as in past campaigns and to underline the stalemate which has existed for four years. Attempts to reach a settlement during the 14-month cease-fire just ended have proved fruitless. The 5,000 hard-core Kurdish fighters are well trained and equipped, but Kurdish tribal loyalties are more divided now than in 1963 against the Baathist regime. The Kurds can continue to expect limited material aid from Iran, and propaganda support from the USSR for Kurdish autonomy demands. The Baghdad government continues to receive arms from the USSR to use against the rebels, and words of caution from Egypt. (Published separately as Special Report OCI No. 0286/65B)
- THE CYPRUS SITUATION** 11  
 Tensions rose for a time last week when the Greek Cypriots banned movement of supplies in or out of Nicosia's Turkish quarter, but this latest crisis apparently has not induced Makarios to abandon his "peace offensive." However, Ankara's current pressure on Athens to negotiate a Cyprus settlement may prove counterproductive.
- AFRICAN MODERATES PUSH NEW CONGO PLAN** 12  
 Five relatively conservative West African states have launched an effort to provide major military and administrative assistance to the Leopoldville government, with a view ultimately to limiting Communist and radical African influences in the area.

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<u>ASIA-AFRICA (continued)</u>	<u>Page</u>
<b>INTERNAL TENSIONS IN GUINEA</b>	<b>14</b>
<p>The heavy-handed economic controls imposed by President Touré's regime have bred widespread discontent, particularly among the Fulani tribal people who compose a third of the country's population.</p>	
 <u>EUROPE</u>  	
<b>COMMON MARKET: THE FINANCIAL REGULATIONS PROBLEM</b>	<b>15</b>
<p>The EEC Commission's proposals for financing the common agricultural policy go beyond anything anticipated at this stage of the EEC's development and, by combining financial inducements with federalist principles, confront Paris in particular with a difficult choice.</p>	
<b>THE NEW DUTCH CABINET</b>	<b>16</b>
<p>Its domestic economic program will probably weaken the anti-inflationary effort pursued by the old government. Foreign policy, including a long-term effort to improve relations with Indonesia, is likely to continue along the same general lines.</p>	
 <u>WESTERN HEMISPHERE</u>  	
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<b>COLOMBIAN CONGRESS IN SPECIAL SESSION</b>	<b>17</b>
<p>Its likely failure to enact meaningful reforms could cause existing public disillusionment to crystallize into more direct opposition to the National Front government. This outcome is already the goal of several political groups.</p>	
<b>POLITICAL SITUATION IN GUATEMALA</b>	<b>18</b>
<p>If Chief of Government Peralta decides that disorder would accompany an election campaign this year or that he could not easily control the results, he will be all the more susceptible to pressure from his advisers and businessmen who prefer his military regime.</p>	

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WESTERN HEMISPHERE (continued)

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**ECUADOR DELAYS MISSION TO SEEK BLOC TRADE**

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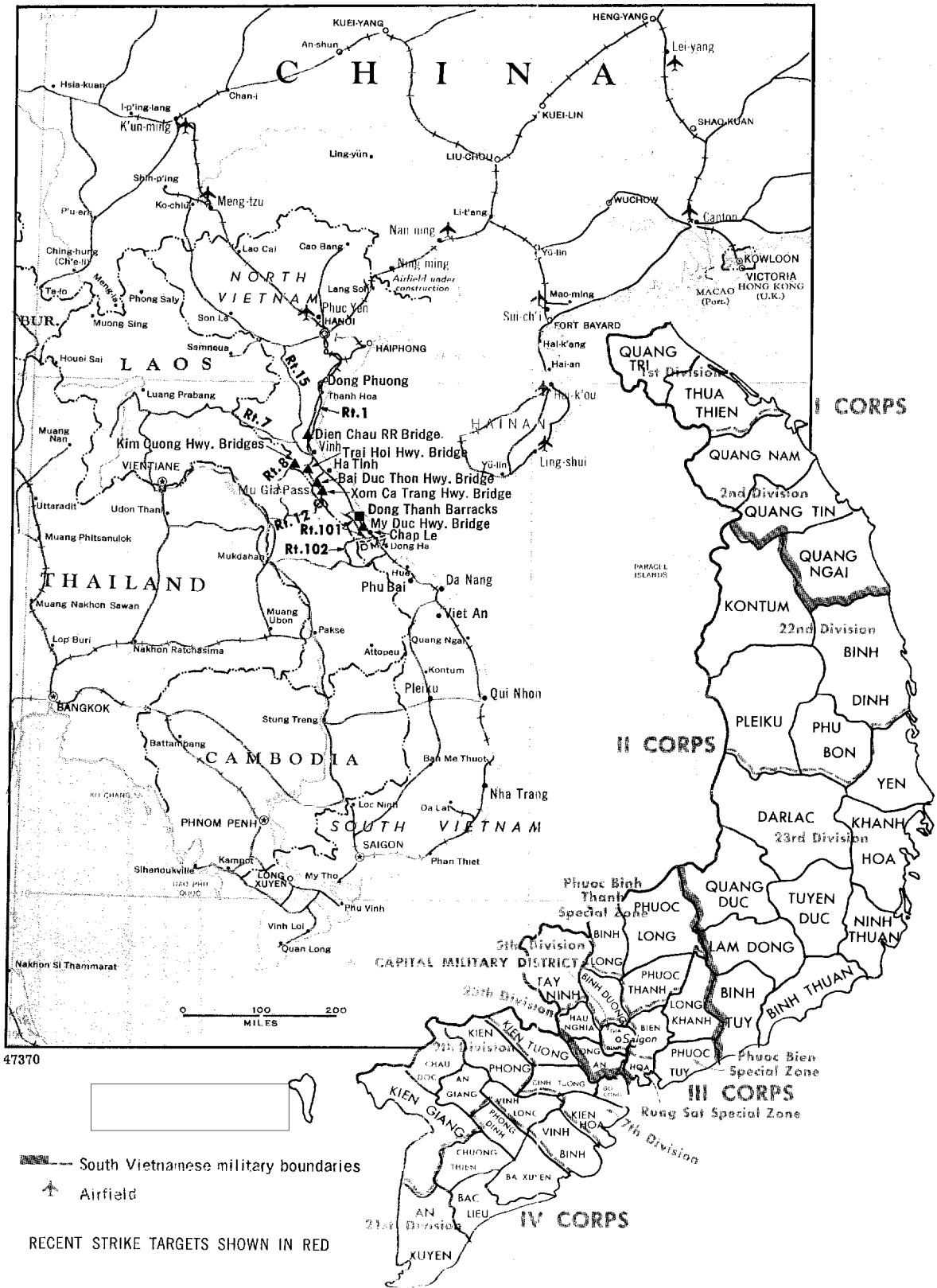
Political considerations account for the delay, but the trade mission probably will set out later. It is also possible that, in support of its economic policy, the Ecuadorean Government will eventually extend diplomatic recognition to one or more Communist states.

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Vietnam

## VIETNAM

The announcement on 17 April that a party-government delegation from North Vietnam led by party first secretary Le Duan, Minister of Defense Vo Nguyen Giap, and newly appointed Foreign Minister Nguyen Duy Trinh had held week-long secret talks with Soviet civil and military leaders suggested that Hanoi was seeking clarification of Moscow's position on assistance to the defense of the DRV. These were the first high-level talks held since the US has stepped up its assistance to the South Vietnamese and increased its bombing of North Vietnamese military targets.

The joint communiqué released at the conclusion of the visit is highlighted by a cautious threat to send volunteers to the DRV "in case of necessity." Moscow made its pledge conditional upon an "intensification of US aggression" and an appeal by the North Vietnamese Government, but this goes beyond Brezhnev's ambiguous reference in a 23 March speech to the readiness of Soviet citizens to "take part in" the DRV's struggle. The Soviet pledge may be intended to set the stage for an announcement of the dispatch of Russian personnel along with the Soviet SAM equipment which almost certainly now is en route to North Vietnam.

There was no call in the communiqué for a Geneva-type conference on Vietnam, but the Soviets

and North Vietnamese agreed that "it would be useful to convene the relevant international conferences" to solve the problems of Laos and Cambodia.

The visit and resulting communiqué suggest that Moscow and Hanoi have drawn closer, but the net effects of the trip will not be clear until the results of the delegation's current talks in Peiping are known. It arrived there on 18 April and was feted by top Chinese leaders, who are undoubtedly attempting in their discussions to offset the Soviet initiative. The Chinese have broadcast the text of the Soviet-DRV communiqué, but they have made no comment on it.

In addition to filling out the public Soviet position on "volunteers," the communiqué also contained the USSR's most authoritative public reference to President Johnson's 7 April speech. Although it avoided the vitriolic, personal criticism of the President characteristic of Peiping's reaction, the statement reiterated that US "extension of acts of aggression" proves that Washington does not really seek a peaceful solution.

In a 19 April speech, Premier Kosygin asserted that recent talk in Washington about a peaceful settlement is valueless in light of US determination to continue intervening in Vietnam. Kosygin endorsed Premier Pham

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## Vietnam

Van Dong's 8 April four-point formulation setting forth the basis for the "soundest" settlement of the Vietnamese crisis. He denounced US use of such "inhuman instruments" as napalm, phosphorous bombs, and gases, and warned that, since the US has no monopoly on modern arms, the use of such weapons might invite retaliation in kind.

Developments in North Vietnam

Hanoi made it evident this week that the "urgent and new tasks" referred to in recent official statements were mostly concerned with building up DRV defenses against continuing US air strikes. The regime's concern over possible escalation of the air war was reflected in its request on 16 April that foreign officials, including those of Communist countries, evacuate their dependents within ten days.

Construction of the SAM site near Hanoi is continuing. Photography  indicates that four of the six launch positions are completed. The retted central guidance facility also appears complete, but the perimeter roads are still under construction. There was no evidence of any missile equipment within the site.

Although there is still no hard evidence on the arrival of Soviet military equipment in the DRV, the 17 April joint communiqué claimed not only that Soviet military aid is "being implemented in the envisaged extent and procedure," but also that an agreement was reached on "further steps" to defend the DRV. Equipment for the SAM site now almost completed is probably moving by rail through China rather than by sea.

While building up its defenses and urging the population to "heighten its vigilance" against the US "aggressor," Hanoi continued last week to maintain an independent posture with regard to any form of negotiations. On 19 April Hanoi issued a politely worded reply to the 17 nonaligned nations' appeal stressing its belief that the only "basis for the sound political settlement" of the Vietnam question was Premier Pham Van Dong's four-point proposal.

Chinese Communist  
Political Reactions

Peiping is displaying a somewhat tougher stance on negotiations than is Hanoi. The

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Vietnam

16 April People's Daily editorial hammered at the necessity for withdrawal of all US armed forces from South Vietnam as "an indispensable precondition" for a peaceful solution and warned that "the issue of peace and war" hinges on whether the US will get out of Vietnam. It omitted the passing reference to negotiations mentioned in Pham Van Dong's formula, while endorsing his proposal as the only way to restore peace.

Peiping's hard line on negotiations has been reinforced by the intensification of Chinese propaganda efforts designed to mobilize support, both foreign and domestic, for the regime's Vietnam policy. On 20 April Peiping announced that the Standing Committee of the National People's Congress--China's rubber-stamp parliament--had adopted a resolution calling for the Chinese people to join "with the world's people" in launching a "powerful mass movement" to force the United States out of Vietnam.

The Chinese people were instructed to make "full preparations" to send men to fight alongside the Vietnamese in the event that the United States "continues to expand the war" and the "Vietnamese people need them." This conditional resolution, although putting the National People's Congress stamp of approval on previous Peiping declarations, does not represent any extension of Peiping's com-

mitments. It appears designed to increase the credibility of previous pronouncements.

President Johnson's 17 April declaration that the US will never be forced from Vietnam until South Vietnamese independence is guaranteed has been singled out by Peiping for bitter criticism. Emphasizing Peiping's professed unwillingness to settle for anything short of complete Communist victory in Vietnam, a People's Daily editorial on 21 April asserts that the President in fact seeks the "permanent occupation" of South Vietnam and the "perpetual division of Vietnam." The editorial stresses that "the very purpose" for which the South Vietnamese "people" are fighting is to destroy completely this "so-called independent country" and to realize the "reunification and complete liberation" of Vietnam. In language resembling the 20 April National People's Congress resolution on Vietnam, the editorial pledges that the Chinese people and the "people of the world" will support the Vietnamese "people" as long as the latter have to fight.

US Air Strikes

US and South Vietnamese aircraft kept up the steady pace of bombing attacks and armed reconnaissance against lines of communication in North Vietnam during the past week. Strikes were conducted on all

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Vietnam

seven days. Considerable success was achieved in bombing runs against eight bridges; seven were either destroyed or rendered unusable and the other was damaged.

The armed reconnaissance missions flown both day and night on a daily basis along the major rail lines and highways south of the 20th parallel were less successful. Targets were generally hard to find, probably as a result of North Vietnamese resort to night travel, camouflage, and use of secondary roads. Several military camps, ferry landings, and a chokepoint on the communications line were also attacked.

#### Military Developments In South Vietnam

In South Vietnam, the heaviest fighting of the week was reported in Quang Tin Province, where government air and ground elements attacked a strongly fortified entrenchment of three Viet Cong battalions 28 miles south of Da Nang air base, near the frequently harassed government outpost of Viet An. US military authorities confirmed 150 Viet Cong killed as the result of initial air strikes, while the latest unofficial estimates place enemy losses as high as 300 dead. Friendly forces reportedly sustained cas-

ualties of 100 killed, wounded, and missing.

On 15 April, 230 US and Vietnamese aircraft, including 50 B-57s and 79 F-100s, flew 443 attack sorties against the main headquarters of the Viet Cong in their War Zone C in western Tay Ninh Province--northwest of Saigon. An estimated 862 tons of bombs were dropped on an area three kilometers by six kilometers. Results of the air action are still inconclusive. Government ground forces in a follow-up search-and-destroy operation between 16 and 18 April failed to establish contact with the Viet Cong, but recovered small amounts of foodstuffs, weapons, documents, and materiel.

Communist guerrillas for the first time last week penetrated the US Marine security perimeter at Da Nang air base, slightly wounding two marines with a barrage of hand grenades and directing small arms fire at a battery emplacement. Enemy mortar and small arms fire was also placed on US Marines defending the important Phu Bai airstrip in Thua Thien Province.

A document captured in late March in Binh Duong Province north of Saigon indicates that the Viet Cong have been making preparations for a major

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Vietnam

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campaign in the area [redacted]

[redacted] Targets of the campaign were reported to be provincial and district capitals along the highway running due north of Saigon toward Cambodia. The report also notes that the Viet Cong have been recruiting, stockpiling, and concentrating units in the same general area.

certain generals in sympathy with the revolt, is urging a delay in further action until the charges of the naval subordinates against their commander have been fully investigated.

Political Developments  
In South Vietnam

Dissension within South Vietnam's military leadership remains apparent following the recent naval mutiny, which now is reported to have had some adverse effect on the conduct of naval operations. Armed forces chief General Minh wants to take disciplinary measures against the rebel naval officers, whereas Premier Quat, backed by

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The Communist World

## COMBAT POTENTIAL OF SA-2 SAM SITES

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Discovery of an SA-2 surface-to-air missile site under construction near Hanoi [redacted]

[redacted] raise questions regarding the combat potential of newly deployed sites. Estimates of range and altitude capabilities of the equipment [redacted]

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[redacted] provide some of the answers, but other factors must be considered.

First, an SA-2 launch site is not designed to operate independently for any length of time. It requires the services of a technical support battalion, which is usually located at regimental level, to achieve any sustained level of combat readiness. Since a launch site can handle only one target at a time, several sites with overlapping coverage are needed around a defended area. SA-2 regiments normally have four sites, although the number can vary from three to six.

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The model of the radar used for target tracking and missile guidance also affects system capabilities. [redacted]

The Soviets typically assign about 150 men to a launch site. A four-site regiment with headquarters and technical support elements totals close to a thousand men. Many of the equipment operators need only a few months' training, but maintenance and missile assembly require a large number of skilled technicians with much more extensive training.

An SA-2 site is not necessarily static. A well-trained crew can disassemble an emplaced launch site in about four hours, move it by road to a prepared location, and put it back in operation in as little as six hours. [redacted]

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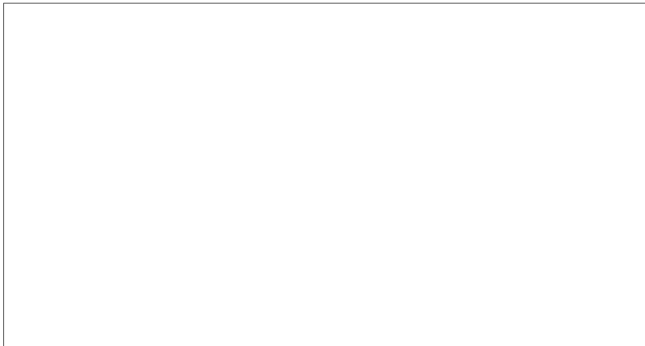
The Communist World

**ANTIREGIME PLOT SCOTCHED IN BULGARIA**

Between 6 and 9 April Bulgarian security organs reportedly frustrated a coup against the regime of party boss Todor Zhivkov. Little is known of the extent of the group's support, but it is unlikely that the regime's stability has been seriously weakened.

Although the plotters are being labeled "pro-Chinese," particularly by Soviet bloc sources, they appear basically nationalist--and therefore "anti-Soviet"--in outlook. Their probable goal was to loosen or break Bulgaria's sycophantic ties with the Soviet Union.

The principal plotters appear to have been Bulgarian military officers or civilians who had served in the same partisan unit during World War II. Ivan Todorov Gorunya, a central committee member and ex-partisan from the Vratsa area, has committed suicide. Major General Tsvetko Anev, commandant of the Sofia garrison, and Tsolo Krustov, former commandant of Vratsa partisans, have been arrested. Elements of the Bulgarian Navy may also be involved.



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The regime did not take public note of the coup reports until 22 April, when it denied any threat to the "public order" or the "regime's stability" had been involved. Western diplomatic sources indicate, however, that party ideologist Mitke Grigorov spoke of the plotters' activities to a party central committee plenum on 14 April, and to a small select group of party leaders on 15 April. In addition, six other leading party figures, including Zhivkov, have addressed local party meetings--principally around Sofia--since the plot was uncovered. The regime's willingness to issue a statement strongly suggests it has arrested all major participants in the suppressed coup.

The Bulgarian party has a long history of acute factionalism. In early 1961, a narrowly based faction having a "nationalist" orientation apparently wanted Zhivkov to alter his policies along lines adopted by Yugoslavia.

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The Communist World

**NEW TREATY REFLECTS ALTERED SOVIET-POLISH RELATIONSHIP**

The new 20-year treaty of alliance signed early this month in Warsaw by Brezhnev and Kosygin formalized a new stage in Soviet-Polish relations. The USSR took the unusual step of ratifying the treaty within a week after signature.

The "completely unanimous" agreement claimed by both sides had been achieved only after a year of hard negotiating. In addition, interpretations of the treaty in speeches by the Polish and Soviet leaders reflect divergencies in emphasis stemming from diverse national interests. This type of "harmony" may be reflected in future negotiations between the Soviet Union and other East European countries.

The treaty obliges the USSR to consult with Poland on all major Soviet foreign policy moves affecting it. Together with Brezhnev's assertion that there is room for differences in foreign as well as domestic policies of socialist states, this provision extends the limits of Polish autonomy. Gomulka took immediate advantage of this to make a more favorable reference to US "bridge-building" proposals.

Poland failed to get an explicit guarantee of its western boundary written into the treaty, which merely describes the integrity of the Oder-Neisse line as "one of the main factors" of European security. Moscow apparently wants to avoid tying

its hands on this issue in any talks concerning Germany. At the same time, the consultations clause grants the Poles a hedge against future Soviet moves in Central Europe, and this probably was instrumental in persuading them to accept Moscow's wording on the Oder-Neisse line.

Even this weak statement, together with the apparent success of recent Polish-Soviet economic talks and the signing of a convention which may again permit the repatriation of ethnic Poles from the USSR, will enable Gomulka to point to tangible achievements in countering domestic critics of his policy of closer relations with the USSR.

Poland's part of the bargain apparently included measures to tighten the military alliance. Shifts last February in its military hierarchy, which gave key posts to "pro-Soviet" generals, followed reports of Soviet concern about nationalism in the Polish military leadership.

Gomulka's reiterated pledge that the Polish party would warmly support all initiatives aimed at overcoming Communist disunity appears to be a response to Brezhnev's implicit suggestion that such a common approach is one condition of the new type of relations among Communist states.

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The Communist World

**RUMANIAN FOREIGN POLICY PROBLEMS**

Developments in the last month have reduced the options available to the Rumanian leadership in furthering its national interests. It has failed to expand commercial relations with the US significantly, and seems to be hard put to ignore the pressure for Communist unity created by the Vietnamese situation. As a result, some accommodations will probably be made, but without any real modification of the regime's independent posture.

Bucharest's latest difficulty in dealing with the US was the collapse last week of lengthy negotiations with the Firestone Company for a synthetic rubber complex which the Rumanians had regarded as the key item in the shopping list they presented to the US last May.

Rumanian officials have attempted to endow the Firestone negotiations with implications for all Eastern Europe. A Foreign Ministry official said in March that "many people...not just here but elsewhere" are awaiting with interest the outcome of the talks. If they were to fail, "people elsewhere" would gleefully say "you cannot count on America for economic support."

Delays in arranging commercial deals in the US had already caused Rumania to cancel one purchase. In addition, the regime has complained about problems in finding US markets for its products. Commercial

relations with Western Europe are likely to be expanded as a result.

These developments may, in part, account for Bucharest's apparent stalling in talks for a consular convention with Washington.

Rumanian displeasure may also be reflected in the regime's being less reluctant to condemn "US imperialism" in Vietnam. With Moscow and Peiping both attacking the US position, Rumanian leaders probably believe they have little choice. Rumania has in the past gained maneuvering room for dealing with the West, among other things, by playing off Moscow's differences with Peiping.

However, no basic reorientation of regime policies is likely. Decisions announced after a 14-15 April central committee plenum emphasized the independence of Rumania's foreign policy. They also indicated that the country's collective leadership has been working effectively since the death of party first secretary Gheorghiu-Dej. The top four party leaders will deliver the major addresses at the fourth party congress, which opens on 19 July. The fact that the regime can make this announcement three months in advance augurs well for a period of stability at the top.

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Asia-Africa

**INDONESIA CELEBRATES BANDUNG CONFERENCE ANNIVERSARY**

The Bandung anniversary conference, which began on 17 April, appears to have been no more than it was billed to be--an anniversary celebration. The speeches, as expected, were rancorously anti-Western and unsubstantive. Some of the delegations left when the Djakarta phase of the celebration ended on 20 April, but others, including the Chinese and the North Vietnamese, are staying for a few more days. Festivities in other parts of Indonesia will continue through 26 April.

Once the celebration is over, Indonesia is expected to

return to matters which were held in abeyance during the most of April: repressive action against remaining anti-Communist elements, further Communist pressure against American presence in Indonesia, and increased paramilitary activity against Malaysia.

The Japanese delegation to the anniversary conference went on to Malaysia from Indonesia, and proposed a meeting in Tokyo between Sukarno and Malaysian Prime Minister Rahman. Rahman agreed to attend such a meeting; Sukarno has not made his position clear.

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**THE CYPRUS SITUATION**

Tension between Turkish and Greek Cypriots increased rapidly on 15 April when the government banned the movement of people or supplies in or out of the Turkish quarter of Nicosia. The ban followed a shooting incident and the discovery that Turkish Cypriot fighters had infiltrated abandoned Greek Cypriot shops along the dividing line.

The restriction on supplies has since been lifted, and tension has eased somewhat. However, the prohibition on movement of persons is to remain in force, according to government spokesmen, until the Turkish Cypriots remove their fighters from the shops and permit inspection of the disputed section by UN troops.

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Asia-Africa

President Makarios' plans to accelerate his "peace offensive" may have been delayed but apparently were not abandoned as a result of the latest crisis. On 21 April, the government lifted restrictions on freedom of movement in the southern two thirds of the island. Turkish Cypriots living in this area generally have adapted to living under Greek Cypriot administration.

Frustration and fear that time is working against Turkish

interests on Cyprus have led Ankara to step up pressure on Athens to negotiate a Cyprus settlement. The remaining few thousand Greek citizens in Turkey are to be deported, and the Orthodox Patriarchate in Istanbul will be investigated and possibly expelled. Reaction in Athens indicates that meaningful Greek-Turkish negotiations are probably less, rather than more, likely as a result of these moves.

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## AFRICAN MODERATES PUSH NEW CONGO PLAN

Five moderate West African states led by Ivory Coast President Houphouet-Boigny have launched a major effort to provide military and administrative assistance to the Leopoldville government. This Congo initiative, planned in outline last February, is regarded by the sponsoring governments as part of a broader scheme to organize the continent's moderates against radical African--notably Ghanaian--pressures and Communist--particularly Chinese--inroads.

At a meeting in Abidjan earlier this month, Ivory Coast, Upper Volta, Niger, Togo, and Senegal agreed to press for Con-

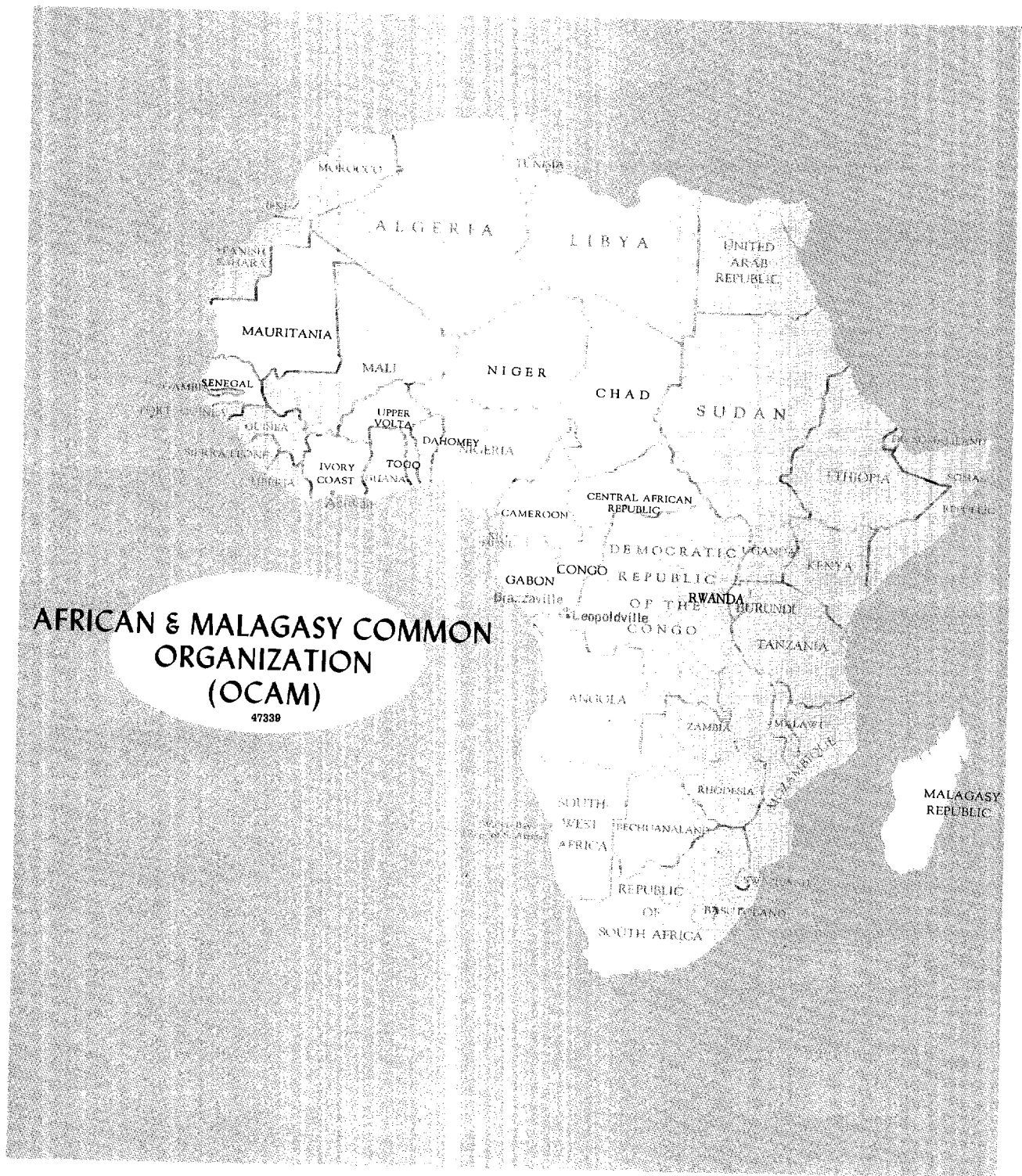
go's immediate admission to their embryonic African and Malagasy Common Organization (OCAM), presently composed of 13 ex-French territories and the former Belgian trust territory of Rwanda. The Abidjan group and any other OCAM members willing to help Tshombé are then to make available military and lower level administrative personnel. The troops are to be drawn mainly from the pool of 10,500 African servicemen recently demobilized from the French Army. They would be employed to secure "pacified" areas and thereby free Congolese Army forces for antirebel operations in place of the white mercenaries.

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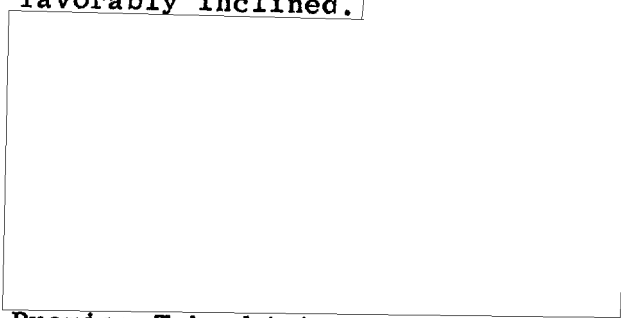


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Asia-Africa

To win support for this plan, which is sure to be resisted by the leftist regime in Brazzaville and probably by some other OCAM states, the Abidjan group is sending special emissaries to many African and a few European capitals. The sponsors have indicated that in time they would require financial and material help from the US and other Western countries.

France, previously cool to its protégé states' Congo plan, has recently appeared more favorably inclined.

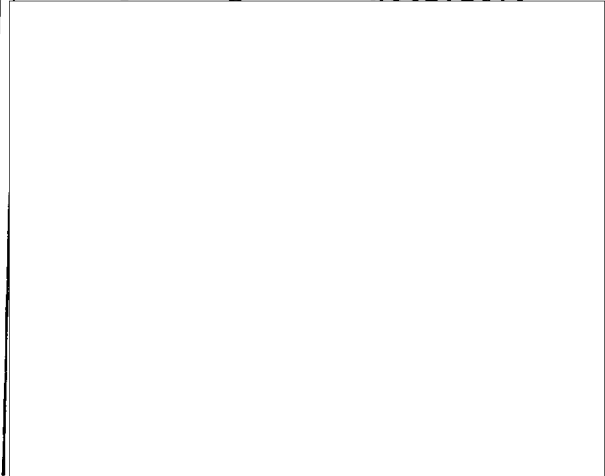


Premier Tshombé in fact applied for admission to OCAM last month only to have his overture spurned by the organization's current head, the President of Mauritania. Neither Tshombé, President Kasavubu, nor army chief Mobutu is prepared to dismiss the Congo's mercenaries, and Mobutu strongly opposes the

reintroduction of other African troops under any guise.

Circumstances within the Congo continue to favor the government, as they have for several weeks. The rebellion in the northeast has deteriorated although some of the hardier rebel bands continue resistance. The mercenaries have completed the "sealing" of the Sudanese border. High Sudanese officials state that they are disarming fleeing rebels, and that arms deliveries through the Sudan have stopped.

Even the regions adjacent to Lake Tanganyika remain fairly quiet despite frequent alarms of impending rebel activity.



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Asia-Africa

**INTERNAL TENSIONS IN GUINEA**

Continuing signs of tension in Guinea indicate that President Touré's basically leftist one-party regime may be under severe strain. Conakry's economic controls, under which the country's prosperity has declined drastically, are the major focus of discontent. Tribal antagonisms also appear to be increasing.

Last November, President Touré launched a crackdown on economic irregularities. The government has investigated the private finances of government and party officials, arrested smugglers and jobless migrants, put stringent limitations on traders, and decreed the closing of frontiers. There have been many rumors of brutal treatment of individuals caught in the police net.

However, despite the government decree, large numbers of Guineans are still leaving the country in search of better conditions, and are continuing their customary practice of taking their products to neighboring states to trade for consumer goods unobtainable at home. There have been a few instances of disorders when sizable groups of transient Guineans, sometimes entire villages, congregated on one side or the other of a patrolled area of the frontier.

Many of the disciplinary actions and most of the rumors of further trouble involve the Fulani people, who make up over

a third of the population. They were a favored group under French rule and have tended to remain somewhat aloof from the Touré regime. Some of Touré's recent foreign policy moves reflect concern over Fulani attitudes. His round of contacts with other African presidents in March, for example, apparently involved a search for reassurances of support for his government. Resolution early this month of Guinea's long-standing financial disputes with Paris is probably related to Fulani criticism of the exclusion of France from Guinea's economic development since 1958. Conakry has also been worried by Portugal's arming of several thousand Fulani who are natives of Portuguese Guinea.

While the government party's national council meeting, scheduled for 8-10 May, might resolve some of the more immediate problems, such as foot-dragging and factionalism within the regime leadership, tension is unlikely to relax significantly until the economy picks up. Guinean hopes are focused on rapid development of a massive bauxite deposit, but negotiations to exploit it now appear to be on dead center. Given the domestic situation, the regime may suddenly look for scapegoats, and an abrupt change in its present favorable attitude toward American aid and investment is one possibility.

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Europe

**COMMON MARKET: THE FINANCIAL REGULATIONS PROBLEM**

The EEC Commission's proposals for financing the common agricultural policy (CAP) and ultimately giving the EEC its own source of revenue have set the stage for a crucial community debate. They go beyond anything anticipated at this stage of the EEC's development, and by combining financial inducements with federalist principles, confront Paris in particular with a difficult choice.

The proposals recommend a new CAP financing system to replace the temporary arrangements which expire on 30 June. For an interim period from June 1965 to June 1967 there would be a new and more equitable scale of member-state contributions from national appropriations. Beginning in mid-1967, however--when the Commission proposes the customs union become fully effective--the community's income would include all receipts from the variable levies on EEC imports of agricultural items plus progressively increasing portions of the duties collected on all other imports. By 1973, all revenues from both sources would belong to the community.

According to Commission estimates, annual community levy and customs receipts will total at least \$2.2 billion by 1967. These receipts are at present an important source of national revenue, and they far exceed contemplated community expenditures. By instituting a "veritable federal budget," the plan would give

a large measure of budgetary independence to the EEC, and end the present situation in which the Council invariably cuts even the modest expenditures proposed by the Commission.

It is unclear how much of its plan the Commission expects to achieve in the next few months. Even some of its friends have said it has "gone too far." Similar criticisms were heard, however, when the Commission "prematurely" proposed grain price unification in October 1963, but by maneuvering among conflicting national interests it achieved the historic compromise of last December. It may be hoping to effect another such compromise or, failing that, at least to stake a claim to counter De Gaulle's attempts to bring the other EEC countries into a political union without effective central institutions.

In any case, the Commission plan will point up once more the ambiguity if not the dilemma of De Gaulle's European policies. The financial regulations, like the agricultural integration he has pressed so hard for, are much to French advantage and are in logical sequence to the degree of integration already achieved. Yet, agreement on them would carry the EEC still further toward the supranational community De Gaulle has consistently opposed.

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Europe

**THE NEW DUTCH CABINET**

The new Dutch cabinet headed by Joseph Cals, which was sworn in on 14 April, includes the Labor Party in place of the business-oriented Liberals. Its economic program therefore will probably be less restrictive on wage policy than that of the outgoing government, and thus result in a weakening of the anti-inflation effort. Dutch foreign policy, including a long-term effort to improve relations with Indonesia, is likely to continue along the same general lines.

Cals is, like his predecessor, a member of the Catholic Party, the country's largest parliamentary grouping, and he has a notably cordial relationship with the second largest, the Labor Party. The third member of the coalition is the Protestant Anti-Revolutionary Party. Cals has tried to minimize differences among coalition members on financial, economic, and social policies by emphasizing the shortness of the new government's tenure in view of the 1967 elections and the consequent impracticality of long-term programs.

Cals is expected to provide more vigorous leadership than his predecessor and he hopes to obtain unprecedented authority to arbitrate cabinet disagreements. This will not, however, fundamentally compromise the peculiar Dutch doctrine of the individual responsibility of each minister. Foreign Minister

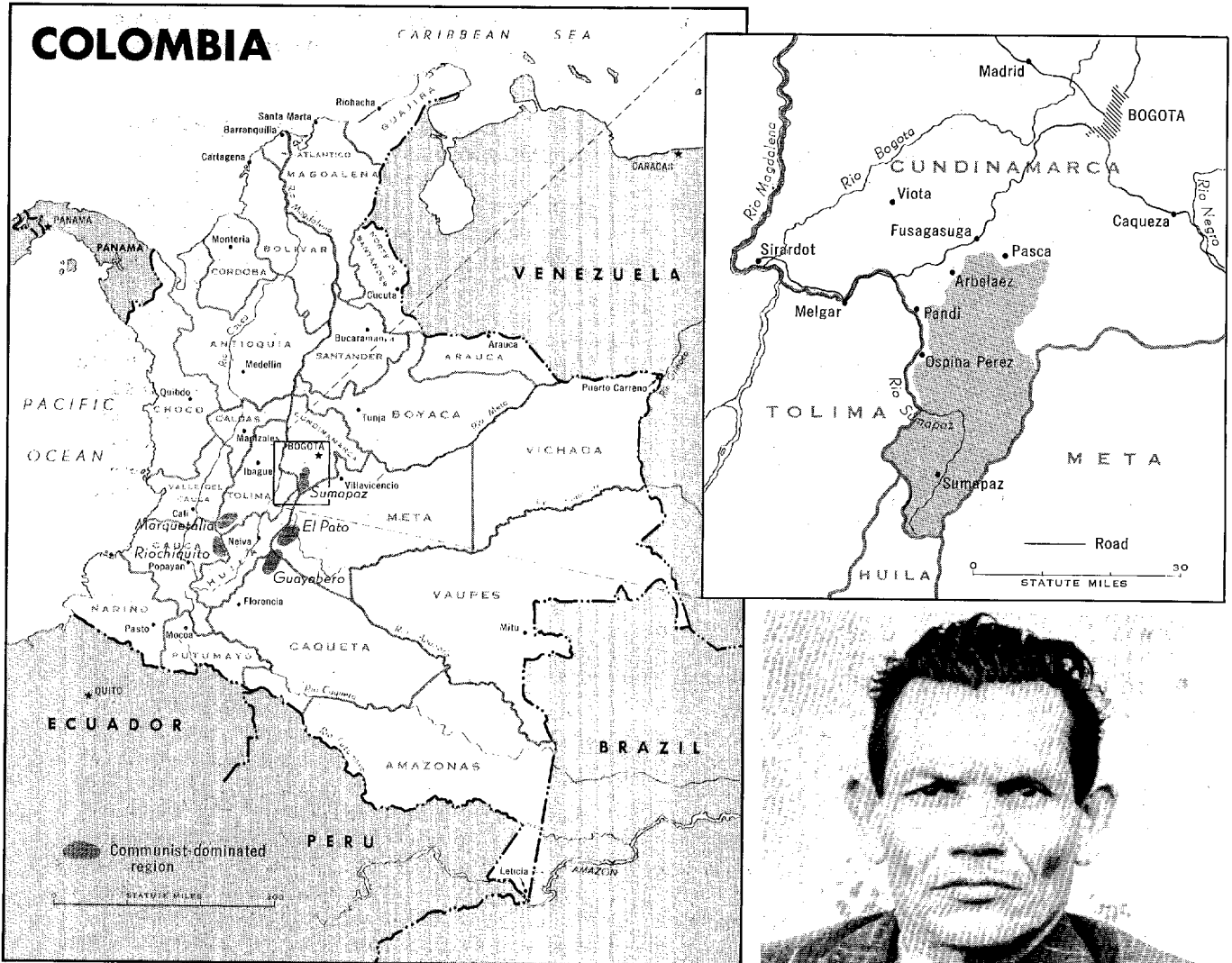
Luns, for example--a holdover from the last cabinet--will alone be authoritative and responsible in foreign affairs and must speak for the Netherlands even when heads of state are involved.

Cals can be expected to give general support to Luns, whose policy positions he shares, despite some personal lack of sympathy and a background of differences over the New Guinea issue in 1962 when Luns took an especially hard line. In particular, the Dutch Government, with its usual high regard for the country's business interests, is expected to continue pushing the restoration of Dutch-Indonesian commercial ties. This policy received considerable impetus from Luns' visit to Djakarta last July and the subsequent agreement on a \$25-million Dutch credit.

Friendly feeling in Indonesia toward the people and customs of the former colonial power seemed to increase for a time after the Luns visit. A contract was signed for Dutch help in the extension of shipyard facilities, and discussions of highway, mining, and technical assistance projects were initiated. However, recent Communist gains in Indonesia and an upsurge of feeling against Western economic enterprise are now causing delay in implementing projects.  25X1

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# GUERRILLA ACTIVITY, APRIL 1965



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COMMUNIST LEADER VARELA  
*Photo taken before 1953*



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Western Hemisphere

## COLOMBIAN CONGRESS IN SPECIAL SESSION

A special session of congress has been called by Colombian President Valencia for 26 April to consider tax reform and other recommendations of a commission set up last January in response to labor union demands. The special session may run into difficulty arriving at the two-thirds majority required to pass important legislation. Failure to enact meaningful reforms could cause existing public cynicism and disillusionment to crystallize into a more direct and overt opposition to the governing National Front coalition.

Such an outcome is already the goal of several political groups, including the followers of General Rojas Pinilla, the ex-dictator (1953-57), and of General Ruiz Novoa, former minister of war. Many of these people and several parties outside the front have formed a loose alliance called the National Assembly.

Communists, too, seem to be taking advantage of the National Front's weakness. Political overtones to banditry are becoming more noticeable, particularly in southern Tolima and nearby departments. Commu-

nist guerrilla activity and kidnappings of important people are already a cause for deep concern.

The Colombian Communist Party (PCC) held its 31st plenum in Viota from 28 March through 2 April. [REDACTED]

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As part of the PCC plenum's decision to support all insurgency, aid presumably will now go to Juan de la Cruz Varela, Communist boss of Sumapaz [REDACTED]

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[REDACTED] In addition to the victims of his banditry, Varela is accused of murdering at least 50 people, including his four brothers, just to maintain his supremacy in Sumapaz. He may provide a link in the Communist chain of armed insurrection that then would extend across the northern border of Huila, joining the upper reaches of Colombia's two major river valley systems--the Magdalena and the Cauca. [REDACTED]

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Western Hemisphere

**POLITICAL SITUATION IN GUATEMALA**

Guatemalan Chief of Government Enrique Peralta speaks of returning the military to their normal occupations and of restoring the nation to constitutional government. However, the public continues to accept Colonel Peralta in his present role, and many businessmen prefer his military regime. These attitudes, together with the inability of the military "High Command" to agree on an official presidential candidate, may convince Peralta that the "best thing for the country" would be for him to remain in office.

The state of siege imposed on 24 February has not been lifted, so that overt political activity is at a standstill. The constituent assembly is expected to complete the new constitution in June, in which case elections for the president and congress ought to be scheduled for the end of this year. Should elections be held, there are four political parties with the legal status necessary to participate.

The government-backed Democratic Institutional Party (PID) is expected to be the vehicle for an official candidate. The National Liberation Movement (MLN) --not being disposed to antagonize Peralta by pressing for its favored candidate, armed forces Chief of Staff Ponciano--is expected to cooperate with the PID in backing a government candidate. The Revolutionary Party (PR), a moderate leftist group, will offer

its director, Mario Mendez Montenegro, who will provide the "democratic opposition" in accordance with a deal between the PR and the PID concerning cabinet positions. The only other legal party is the Guatemalan Social Party (PSG), recently formed to back Finance Minister Caballeros, a controversial figure who has the backing of significant elements in the government.

A well-controlled contest among these four parties would result in a successor government entirely acceptable to the present military administration, which would then "retire to the barracks" as promised. Such a development, however, would leave a significant part of Guatemala's politically conscious citizenry without representation and might lead the extreme right to join with the left in concerted illegal opposition.

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If Peralta decides that disorder would accompany an election campaign or that the results could not be easily controlled, he will be all the more susceptible to pressures from his close advisers and businessmen who wish to see the military government continued.

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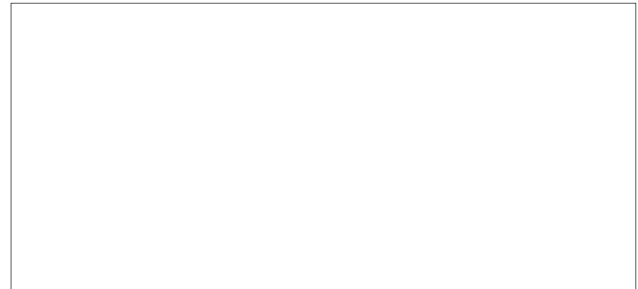
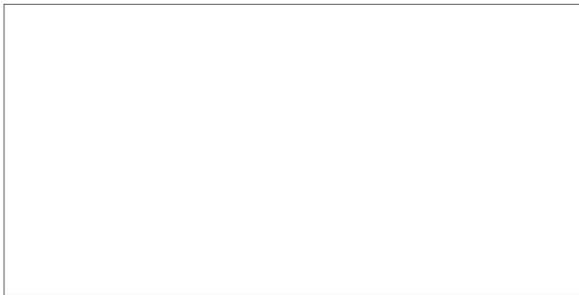
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Western Hemisphere

**ECUADOR DELAYS MISSION TO SEEK BLOC TRADE**

Last January the Ecuadorean Government authorized barter trade with the Communist bloc as a measure to increase lagging markets for the country's major product, bananas. It began forming a commercial mission to visit various Far Eastern and European Communist countries and Japan. Rumors indicated that, although Ecuador severed diplomatic relations with Communist countries in April 1962 and has had no significant trade with them since mid-1963, recognition might be extended in support of economic policy.



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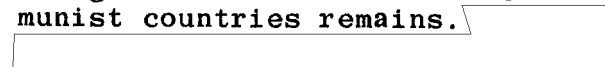
In late March departure of the trade mission was postponed,



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partly because Ecuador had turned its attention to its borders with Peru. Nevertheless, given the sharp drop in first-quarter exports, the trade mission probably will set out later, and the possibility of eventual recognition of one or more Communist countries remains.

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