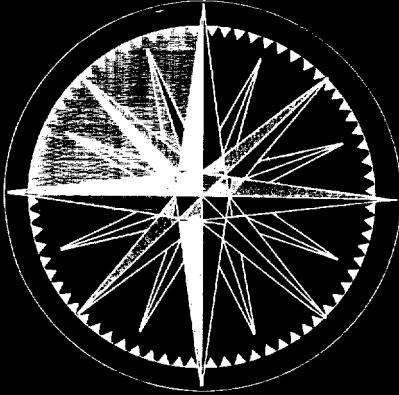


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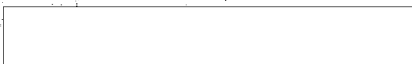


WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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State Dept. review completed



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C O N T E N T S

(Information as of noon EDT, 6 May 1965)

	<u>Page</u>
VIETNAM	1
<p>The Viet Cong have accelerated their military activity to some degree but still do not seem ready to launch a major new offensive. Hanoi, meanwhile, is taking extraordinary measures to keep open its supply lines to Laos and South Vietnam despite damage to these routes by recent air strikes. Hanoi also has issued an editorial on the proposed Cambodian conference that neither rejects the possibility of Vietnam discussions there nor makes any reference to the role of the Liberation Front--which Peiping, still blatantly trying to sabotage the meeting, says must represent South Vietnam. Peiping's most recent propaganda suggests concern that some North Vietnamese are losing heart in the face of heavier US air attacks.</p>	
<p><u>THE COMMUNIST WORLD</u></p>	
GROMYKO'S TRIP TO PARIS	5
<p>Soviet Foreign Minister Gromyko's 25-30 April visit to Paris marks the opening round in what Soviet leaders probably hope will be a continuing series of talks with the French on important European security questions.</p>	
"LIBERATION DAY" IN EAST BERLIN	7
<p>For the V-E Day observances this week, Ulbricht has revived his seven-point plan for German unification. Kosygin, with other bloc and nonbloc dignitaries, will take part in the 8 May celebration in East Berlin and is likely to repeat familiar Soviet proposals on European security.</p>	
POLISH WRITERS PRESSING FOR GREATER FREEDOM	8
<p>In an effort to force the regime to abandon its arbitrary cultural policies, dissident writers are starting to raise sensitive issues that go beyond cultural matters. The regime, anxious for a firm show of popular support in national elections on 30 May, is undecided whether to clamp down hard on the intellectuals.</p>	

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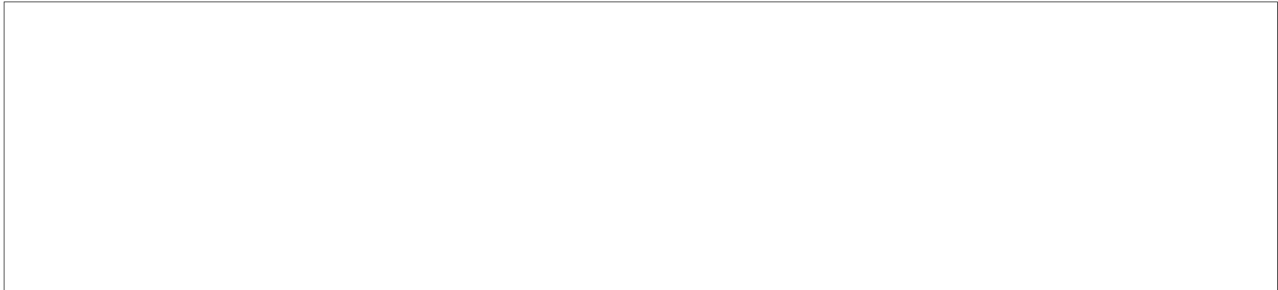
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ASIA-AFRICA

Page

CAMBODIA BREAKS DIPLOMATIC RELATIONS WITH THE US 9
Prince Sihanouk's move is another stage in his diplomatic shift away from "neutrality" and toward Communist China.

INDIA AND PAKISTAN BRACED FOR BROADER HOSTILITIES 11
Although there has been a de facto cease-fire in the Rann of Kutch area since late last week, the earlier Indian reverses there have generated strong pressures on New Delhi for military retaliation against Pakistan.



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CHINESE COMMUNIST INFLUENCE IN NEPAL

The Chinese Communists have been trying for 15 years to establish a position of influence in Nepal, not only through attractive grant aid offers but also by infiltrating government offices and expanding their control of the local Communist Party. Through these efforts they have gained some influence in the palace and laid the groundwork for future subversion, while maintaining an image of a peace-loving and benevolent people. (Published separately as Special Report OCI No. 0288/65B)

THE CYPRUS SITUATION

Diplomatic activity quickened in Athens, Ankara, and Nicosia last week in anticipation of this month's NATO conference. Failure to achieve progress there on a Cyprus settlement could result in shifts in Turkey's international position.

13



25X1

SECRET

SECRET

<u>ASIA-AFRICA (continued)</u>		<u>Page</u>
CONSERVATIVE PARTY WINS ELECTION IN BASUTOLAND		15
London has promised the territory full independence next year if the government formed by the victorious Basutoland National Party can rule effectively		
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
CONGOLESE ELECTIONS STRENGTHEN TSHOMBE'S POSITION		15
The political strength evident in preliminary returns from the now-concluded national and provincial parliamentary elections may induce Tshombé to run against Kasavubu for the presidency.		
NEW POLITICAL UPHEAVAL SHAPING UP IN DAHOMEY		16
Its divided, ineffective regime has been unable to cope with critical economic problems, and the army may again seize control as it did in 1963.		
<u>EUROPE</u>		
NATO SPRING MINISTERIAL MEETING		17
With the annual spring ministerial meeting opening on 11 May in London, there seems to be little disposition among European NATO members other than the Belgians to face up to such fundamental problems as nuclear strategy.		
WEST GERMAN IRRITATION OVER FRENCH POLICIES		18
Deepening differences between Bonn and Paris over such key issues as German unification and European political unity put a heavy strain on Franco-German friendship.		
<u>WESTERN HEMISPHERE</u>		
SITUATION IN THE DOMINICAN REPUBLIC		19
The presence of US troops averted a victory by the Communist-directed and -infiltrated rebel forces headed by Colonel Caamano. The rebels seized the political initiative from the loyalists, however, by forming a "constitutional government" with Caamano as president. A cease-fire is in effect in Santo Domingo but is occasionally broken by sporadic sniping at US troops.		

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WESTERN HEMISPHERE (continued)

Page

BOLIVIAN JUNTA CHIEF CHANGES TACTICS IN BID FOR PRESIDENCY 23



25X1

GROWING LABOR UNREST IN BRAZIL MAY LEAD TO COMMUNIST GAINS 24
Worker dissatisfaction over rising prices, unemployment, and federal control of many unions will be advantageous to Communists and other leftist opponents of the government in important union elections in the next few months.

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Vietnam

VIETNAM

The Viet Cong last week stepped up somewhat both the rate and intensity of their military activity, and showed some willingness to attack in greater strength. Their pattern of activity, however, does not at present suggest the start of a major new offensive, but rather the testing of some units in combat. Where possible, they are still avoiding major engagements with South Vietnamese Government forces, which continued to probe at Viet Cong base areas.

A combined air-sea-ground assault by government troops against a Viet Cong base and supply area in Kien Hoa Province at the mouth of the Mekong provided further evidence that the Viet Cong have been undergoing a period of re-equipping and retraining. The capture of a sizable arms cache, evidently introduced by sea, as well as of documents, revealed that a major supply operation for units around Saigon was in process from March through May, and that the Viet Cong were receiving some Chinese Communist flame throwers and ammunition for 70-mm. pack howitzers.

Military Developments
in North Vietnam

In last week's air strikes on North Vietnam, US and South Vietnamese aircraft concentrated on fixed installations and continued to conduct both day and night armed reconnaissance missions. Several ammunition dumps, a supply depot, and a barracks area were attacked with good results. Highlights of the reconnaissance missions were

the almost total destruction of a 30- to 40-car train and the destruction of or severe damage to a number of SWATOW gunboats. No aircraft were lost.

Hanoi is taking additional measures to counter the effects of recent air strikes on transportation routes leading to central Laos and South Vietnam. Twenty-one newly constructed staging, rest, and refueling points along a 15-mile stretch at the intersection of Routes 15 and 101 have been detected in recent photography.

Recent roadwatch reports indicate that the Communists are continuing to move large numbers of trucks into the Laos panhandle, although the numbers have decreased from mid-April levels. The Communists have resorted to traveling at night, using effective camouflage, constructing bypass bridges, repairing cratered roads, and employing new staging areas in apparently successful efforts to keep their supply lines open into Laos and South Vietnam.

In other military developments, recent photographic analysis indicates that North Vietnam is readying several airfields for use as recovery or dispersal bases. Construction of revetments continues at Phuc Yen, and has been noted recently at Haiphong/Cat Bi, Vinh, and Kep airfields. Most of the revetments under construction have exhaust vent sites, suggesting that they are intended for use by jet aircraft. Vinh and

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Vietnam

Keop airfields would probably be used as recovery bases to extend the combat time of fighter missions.

Political Developments

Hanoi appeared to be marking time on the political front this week, as it apparently attempted a further assessment of the varying cross currents in bloc and free world policy statements on the Vietnam issue. Its only significant propaganda commentary appeared in a 5 May party daily editorial which touched mildly on the proposed Cambodian conference.

In sharp contrast to Peiping's blatant effort to sabotage the proposal, Hanoi's editorial did not flatly reject the possibility of Vietnam discussions at the conference, or make any reference to the role of the Liberation Front at such a meeting. It noted only that the US sought to use the proposal to further its "deceitful" policy of "unconditional discussions" on Vietnam. The editorial was Hanoi's first reference to the conference since the endorsement contained in the joint DRV-USSR communiqué on 17 April.

Moscow's current cautious attitude toward a Cambodian conference was reflected in Foreign Minister Gromyko's talks in Paris last week. Gromyko apparently refused to be drawn out on the "ways and means" of organizing a conference, and

the 29 April joint Soviet-French communiqué simply noted that the US and UK now endorsed a Cambodian conference, as the USSR and France had earlier. The Soviet Government has still not formally responded to Britain's request on 26 April that the cochairmen issue conference invitations soon.

Peiping, on the other hand, issued an official government statement on 2 May fully endorsing the Cambodian Government's conditions for a conference and declaring that it firmly opposed US efforts to link discussions concerning Cambodia with Vietnam and Laos. It also asserted that it is "absolutely impermissible" for the South Vietnamese Government to take part in the conference and that South Vietnam "must" be represented by the Liberation Front. This is the hardest position yet taken on the Front's participation by any of the Communist powers.

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Vietnam



The Chinese gave unusual VIP treatment to a North Vietnamese delegation lead by politburo member Hoang Van Hoan which stopped off in Peiping from 30 April to 3 May on the way to V-E Day celebrations in East Germany. Hoan is reportedly pro-Chinese, and the special attention accorded him probably reflects Peiping's effort to counteract Soviet moves designed to enlarge Moscow's influence in Hanoi.

The arguments probably presented to Hoan, and no doubt also to the Le Duan mission which visited Peiping several weeks ago on the way home from Moscow, were summed up in an article published by the leading Chinese theoretical journal Red Flag and broadcast on 4 May. Entitled "Drive the US Aggressors Out of Vietnam," this commentary confidently asserts that a Communist victory now is actually "in sight."

The Chinese claim that the war is now in a "new phase" in which US defeat is "being accelerated." They imply that the US is unwilling to become involved in a large-scale war on the ground and is carrying out "military blackmail" in the hope of breaking the will to

resist of the Vietnamese people. Red Flag reiterates Peiping's contention that "war is decided by men, not weapons," and professes confidence that the DRV will persevere in the struggle.

Peiping's most recent propaganda suggests concern over the possibility that some in Hanoi are losing heart in the face of heavier US attacks, and this line may be in part fight talk designed to stiffen Vietnamese resolve. Attacks in the Red Flag article on modern revisionists may reflect Peiping's fear that Moscow has scored some gains.

South Vietnamese Politics

In Saigon, there has been a noticeable increase in political tension, apparently related to imminent cabinet changes and to Premier Quat's efforts to restrain the military by dissolving the Armed Forces Council. New rumors of a possible coup attempt cannot be substantiated, but possibly reflect military maneuvering for influence in any command reorganization as well as the continuing distrust among Buddhists and Catholics. The presence in the Saigon area of persistent plotter Colonel Pham Ngoc Thao

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continues to provide grist for coup rumors.

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The Communist World

GROMYKO'S TRIP TO PARIS

Soviet Foreign Minister Gromyko's 25-30 April visit to Paris marks the opening round in what Soviet leaders probably hope will be a continuing series of talks with the French on important European security questions. The communiqué on his visit reflected implicit recognition by both governments that the recent talks were aimed more at setting a favorable tone for future discussions than at a serious substantive exchange.

During the talks, Gromyko stressed familiar Soviet positions on Germany and, although he did not advance any specific proposals for a conference on European security, other Soviet officials informally told the French that this would be a good subject for future consideration. The USSR has been showing interest in De Gaulle's proposals for placing a German settlement in the broader framework of European security, which it sees as a means of further eroding the four-power responsibility for German reunification.

Soviet hints at the possibility of some initiative on European security seem designed to foster discord among the

Allied powers and to arouse old suspicions and fears on the part of the West Germans. Soviet propaganda has tried to exacerbate antagonisms between Bonn and Paris by implying a greater accommodation of interest between the USSR and France than actually exists. The joint communiqué hailed the recent French-Soviet agreement to cooperate in the field of color television systems--a decision which has not been well received in Bonn.

In addition, Moscow may hope to influence political issues in West Germany--during the election campaign there this summer--by encouraging a debate between the Erhard government and Willy Brandt's Social Democrats on future policy toward France as well as the USSR and East Germany.

In order to present its policy toward France in a more convincing way, the USSR has been treating Paris with some delicacy, carefully avoiding linking the De Gaulle regime with the other major Allied powers. Soviet press attacks on alleged Allied complicity in the 7 April Bundestag meeting

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The Communist World

in West Berlin avoided specific mention of France. Also, during the harassment of Allied military traffic in and around Berlin from 5 to 10 April, the USSR seemed to encourage the French to believe that Moscow differentiated between them and the US and UK.

For its part, Paris has generally professed satisfaction with the visit because it opened a dialogue with Moscow without giving the Russians any concrete advantages. The French feel they successfully resisted Soviet attempts to erode their position on Germany and to use the talks for propaganda purposes. Foreign Ministry officials did express some disappointment that Gromyko took such a rigidly orthodox position, since the Soviets apparently had been more forthcoming on such subjects as Germany and European security in earlier talks in Moscow with French Ambassador Baudet.

Although the recent talks seem to have been primarily concerned with Europe, Gromyko reaffirmed Moscow's insistence that there can be no question of convening a conference on Vietnam as long as US bombings of North Vietnam continue. The communiqué stressed the convergence of Soviet and French views on the necessity for strict observance of the 1954 Geneva agreements on Indochina and the inadmissibility of outside interference in the internal affairs of the Indochina countries.

The Soviet press has focused attention on the importance of Gromyko's visit as the beginning of a "political dialogue" with possibilities for "definite practical results." The French foreign minister is to pay a return visit to Moscow sometime this fall.

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The Communist World

"LIBERATION DAY" IN EAST BERLIN

The Ulbricht regime began V-E Day anniversary observances prior to the arrival of Soviet Premier Kosygin, Polish Premier Cyrankiewicz, other bloc delegations, and representatives of at least 13 nonbloc Communist or leftist parties. For the occasion Ulbricht has revived his seven-point plan for German reunification in the form of a "German Manifesto," presented to the legislature on 5 May.

The manifesto calls for renunciation of atomic arms by both German states, creation of a European nuclear-free zone, recognition of East Germany and the existing frontiers in Europe, a nonaggression pact between the NATO and Warsaw Pact powers, a peace settlement, and intra-European cooperation.

In a nationally televised speech presenting the manifesto to the legislature, Ulbricht referred to West Berlin as a "special territory." He argued that the Western sectors must become a "free, neutral city ... never a part of the Federal Republic." He warned that the East Germans were determined to prevent West German political

activity in West Berlin and reminded the West Berliners that "those living on an island must not let the sea become their enemy."

Soviet Premier Kosygin can be expected to devote his address at the 8 May celebration in East Berlin to denigrating West Germany and warning that there can be no reversal of the political situation that has developed as a result of World War II--i.e., the present borders in Central Europe, the existence of two German states, and the "independent entity" of West Berlin. His remarks are likely also to contain familiar Soviet proposals on the subject of European security, such as the need for a peace treaty, a nonaggression pact, and German renunciation of nuclear weapons.

The occasion obviously lends itself also to praise for the Ulbricht regime and a reaffirmation of Soviet - East German military strength, in line with Moscow's continuing effort to upgrade East Germany. In this context bilateral East German treaties of friendship and mutual assistance with Poland and Czechoslovakia may be announced.

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The Communist World

POLISH WRITERS PRESSING FOR GREATER FREEDOM

Increasingly vocal Polish writers are forcing the regime toward what may be a major decision on dealing with dissidence among the intellectuals. The writers' uncompromising mood stems from the regime's unwillingness during the past year to clarify its vague and often arbitrary cultural policy.

Although it increased paper allocations and allowed the publication of three new journals, most writers--party members and nonparty alike--apparently regarded these as half-measures. Moreover, these concessions were outweighed by numerous petty restrictions, censorship, and the frequently emotional responses to cultural issues by party boss Gomulka. Despite the appointment last December of a liberal as culture minister, Gomulka's basically anti-intellectual attitudes remain the main determinant of the regime's cultural policy.

Now, taking advantage of the regime's efforts to garner popular support for the 30 May national elections, the intellectuals are raising sensitive issues that go beyond cultural matters.

The powerful and intransigent Warsaw Chapter of the Writers' Union will vote this month on resolutions demanding the abolition of censorship, of the death penalty, and of summary courts, and repeal of a "Stalinist" portion of the penal

code. These resolutions were submitted at a stormy meeting of the chapter on 29 March, at which virtually all liberal incumbents were re-elected to the governing board despite party attempts to install a new proregime leadership.

Although furious at ranking party writers for losing control of the meeting, the regime reportedly has moved to avert a showdown by promising that a special commission will examine writers' grievances if they withdraw the anticensorship resolution. The party also has indicated willingness to abolish the "outdated" section of the penal code. It reportedly feels, however, that it will have sufficient support to defeat the other demands.

This relatively mild response indicates an awareness of the strength of the dissidents. It also suggests that the party is marking time in the pre-election period, postponing a decision on whether to limit itself to selective pressures or to initiate a full clampdown. Influential party hard-liners reportedly are supporting the latter course, and may be exploiting the cultural turmoil as a means of gaining Gomulka's ear. However, similar reports--possibly regime-initiated--have circulated in the past and may be designed to bring at least the party writers to heel.

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Asia-Africa

CAMBODIA BREAKS DIPLOMATIC RELATIONS WITH THE US

Prince Sihanouk's decision to break diplomatic relations with the US this week marks another stage in Cambodia's diplomatic swing to Communist China.

Sihanouk has been actively threatening the break since November 1963, when he asked for the end of US economic and military assistance and for a drastically reduced US presence in Cambodia. Following a border incursion by a US plane last October, Sihanouk warned that he would break relations if "another" Cambodian was killed in an incident along the South Vietnamese border. He has consistently asserted that the US shares responsibility with South Vietnam for border incursions.

Sihanouk evidently has been aware, however, that a break would adversely affect Cambodia's "neutrality" and jeopardize his attempts to secure the international conference on Cambodia and South Vietnam which he has sought in order to protect himself from both Communist North Vietnamese and Western-backed South Vietnamese pressures. Close advisers, moreover, cited Cambodia's dependence on the Mekong, which runs through South Vietnam, as an additional reason to proceed cautiously.

Last March, Sihanouk's calculations were drastically upset during the Indochinese Peoples' Conference in Phnom Penh, which he staged to show that there was a groundswell of opinion supporting his view that a "neutral solution" to the Indochina prob-

lem was possible. It became apparent there that Peiping and Hanoi would not support his call for a conference on Vietnam, although they continued to pay lip service to convening one on Cambodia alone.

However, when international attention became focused on using such a conference to open discussions on Vietnam and it appeared the US would attend, the Chinese Communists apparently could no longer support him on this either.

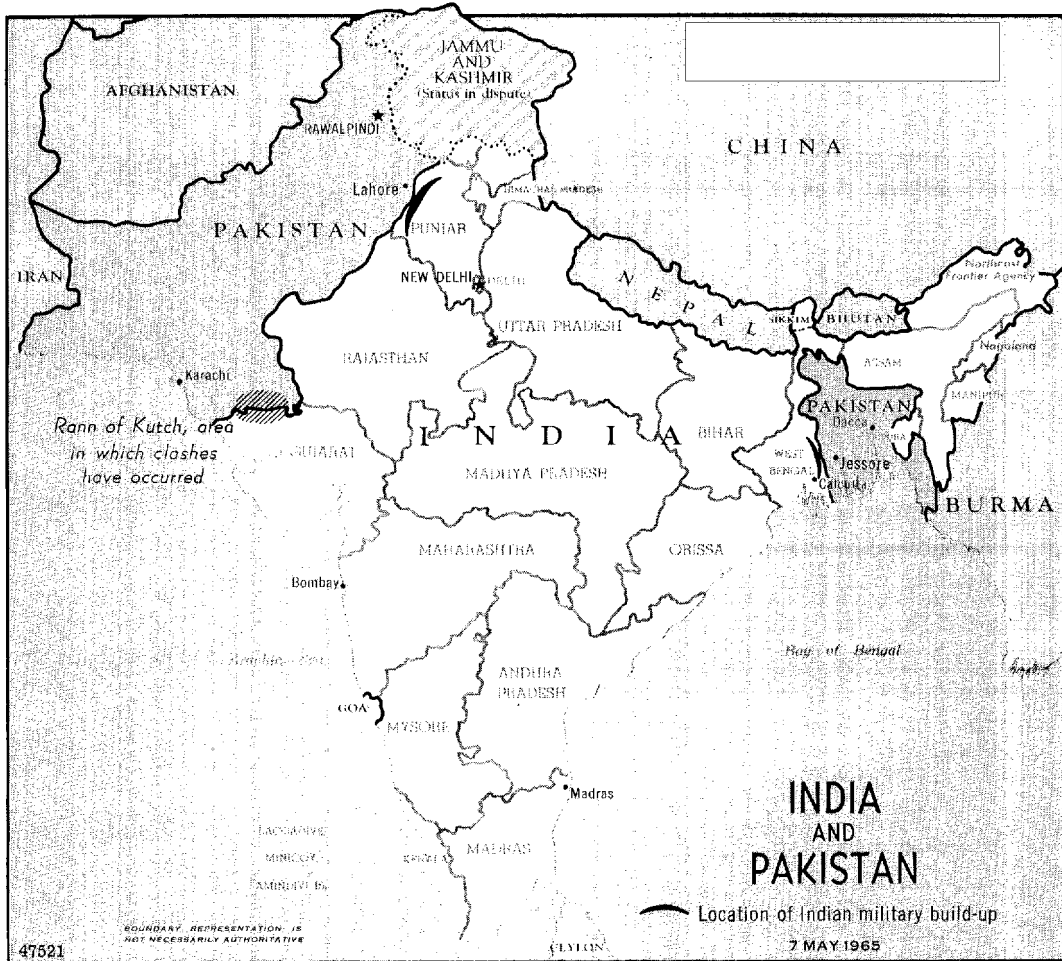
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After talks with Chou En-lai in Djakarta in mid-April, Sihanouk suddenly developed his own "reservations." In a 24 April speech, he said that the participation of the US and South Vietnam was "unnecessary" and that the conference could not be held with the participation of the "Saigon government" which "certain socialist countries do not recognize."

With the long-sought international conference evidently blocked by Communist China, Sihanouk no longer needed to worry about the US attitude and apparently felt less constrained in reacting to a "slanderous" article in a US magazine and to a new border incident on 28 April in which one Cambodian was killed and three wounded.

In a speech preceding the official break, Sihanouk sought to portray the move as being forced on Cambodia. He indicated that the maintenance of

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Asia-Africa

consular relations would keep the "door open" for a resumption of full diplomatic relations with the US. A significant adjustment in Sihanouk's present

policies, however, will probably depend on future events in Vietnam and the effect they have on his belief that a Viet Cong victory is inevitable.

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INDIA AND PAKISTAN BRACED FOR BROADER HOSTILITIES

There have been no further clashes since late last week between Indian and Pakistani forces in the Rann of Kutch, but large-scale fighting between the two countries could erupt nevertheless.

India has deployed about 100,000 men in positions to strike at northern West Pakistan and at East Pakistan, and India's leaders are under heavy domestic pressure to use these forces to avenge reverses suffered in Kutch. Even if the continuing British efforts to arrange a formal cease-fire in Kutch succeed and border negotiations are begun, these pressures seem likely to slacken only gradually.

The last serious fighting was on 26 April, when Indian forces withdrew from a raised area known as Biar Bet ("bet" is the equivalent of "island"). Although Pakistani troops advanced a few miles southwest of Biar Bet, they apparently did not establish direct contact with the Indians again.

On 30 May, Pakistani President Ayub informed British Prime Minister Wilson that he had issued instructions to his troops not to take any new action which might aggravate the situation. India's army chief issued similar

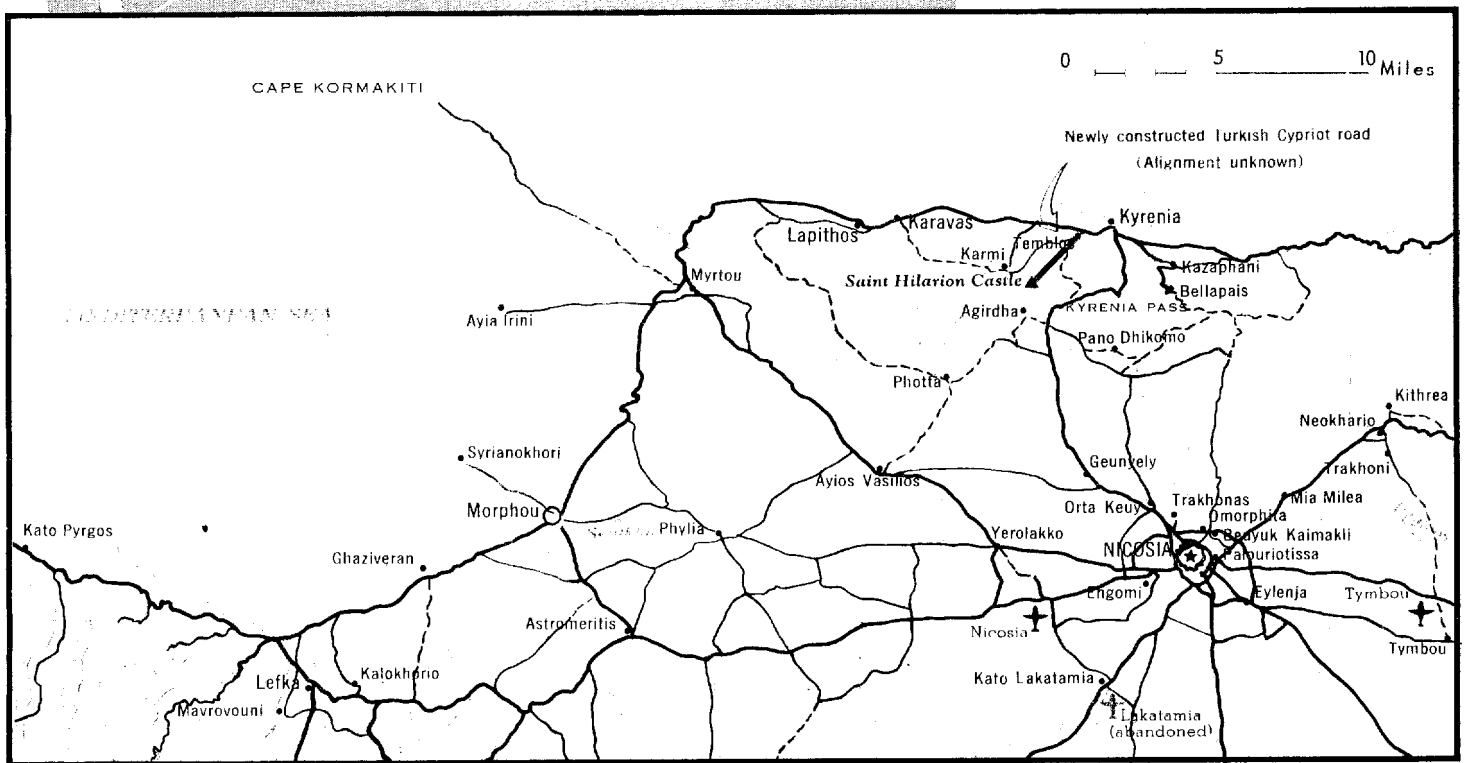
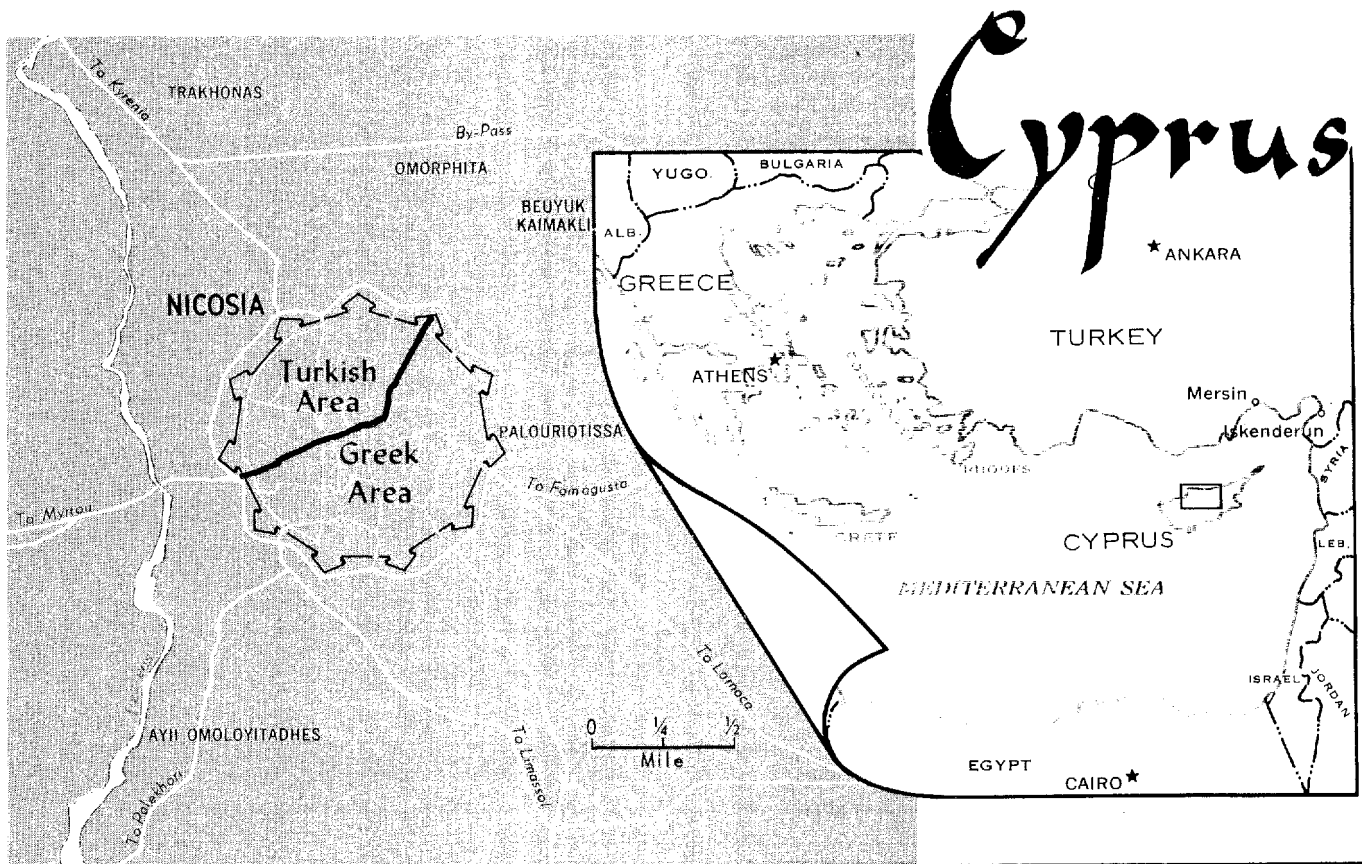
orders two days later, and a de facto cease-fire has been in effect since then, except for occasional artillery exchanges.

New Delhi claims that its forces inflicted heavy casualties on Pakistani forces and suffered only light losses themselves, but it has not been able to conceal the fact that Indian troops retreated in the face of a Pakistani advance. With the memory of its 1962 defeat at the hands of the Chinese Communists still rankling, the Indian Army badly wants a victory.

Pakistan, on the other hand, is content to rest on its laurels for the moment. In its view its forces performed well, and it holds a sizable piece of the territory it claims in Kutch. Ayub is taking only minimal precautions against the imposing Indian build-up on his borders in order to avoid giving an excuse for further hostilities which might not go so well for Pakistan.

There has been no evidence to support Indian charges of collusion between Pakistan and Communist China in recent developments. Since India has roughly four times as many men under arms as Pakistan, the Pakistanis count on India's fear of Communist

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Asia-Africa

China to tie down about half of the Indian Army. Despite the opportunity to offer such support during the past week, China did nothing to divert Indian attention to a "second front," although this could have been done with only a stiff diplomatic note.

On 4 May, Peiping denied any military collaboration with

Pakistan, but indirectly threatened the Indians if they should "widen the war." The Chinese warned that if New Delhi took this course it would be playing with fire and would "certainly come to no good end." Peiping, however, urged settlement of the border dispute by peaceful negotiations.

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THE CYPRUS SITUATION

UN officials have been able to reduce the danger of clashes between Greek and Turkish Cypriots at two important points on Cyprus. UN troops have taken control of a newly built road between two Turkish Cypriot strongpoints--Temblos and Saint Hilarion Castle--thus preventing a probable Greek Cypriot attack on the road. In Nicosia, the Turkish Cypriots last week accepted proposals for UN investigation of buildings on both sides of the green line, the demarcation line between the communities there. Following the investigation, the Greek Cypriots removed the 18-day ban on Turkish Cypriot travel into or out of the capital.

There is considerable diplomatic activity in Athens, in Ankara, and, to a lesser degree, in Nicosia in preparation for the 11-13 May NATO Ministerial Conference in London. Both Athens and Ankara appear hopeful

that serious negotiations over Cyprus and other Greek-Turkish issues can be held before and during that meeting. President Makarios was called to Athens on 6 May to discuss with Greek leaders the coordination of Greek and Cypriot policies.

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Ambassador Hare in Ankara believes the Turks are approaching the NATO meeting as a crucial and possibly final test of their ability to solve the Cyprus dispute within the context of Turkey's Western orientation. He warns that the degree of frustration and bitterness in Turkey is such that failure to move toward a Cyprus solution at London could lead to early and extensive changes in Turkey's international positions as well as to a more aggressive policy toward Cyprus itself.

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Asia-Africa

CONSERVATIVE PARTY WINS ELECTION IN BASUTOLAND

The first popular election for the National Assembly of the British territory of Basutoland has resulted in a close victory for the conservative Basutoland National Party (BNP), which won 31 of 60 seats. The BNP represents the traditional tribal leaders who have maintained their ascendancy with British backing, and its leaders favor close collaboration after independence with South Africa, which completely surrounds Basutoland. The BNP has received substantial financial support from the government of South Africa. A minor traditionalist party won four seats.

Britain, which now retains responsibility for Basuto-

land's internal security and foreign relations, has promised full independence next year if meanwhile the government formed on the basis of the 29 April elections shows itself capable of maintaining law and order. The transition to independence may be disrupted, however, by the Basutoland Congress Party (BCP), which appeared the stronger party but won only 25 seats. The BCP opposes collaboration with South Africa, seeks to displace the tribal chiefs

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CONGOLESE ELECTIONS STRENGTHEN TSHOMBE'S POSITION

Congolese national and provincial elections were officially ended on 30 April. Complete results are not yet available, but preliminary returns indicate that a clear majority of the national deputies will support in varying degrees Tshombé and his national political vehicle, CONACO. Although this evidence of political strength may eventually induce him to run against Kasavubu for the presidency, Tshombé has yet to announce his intentions. For the time being, an uneasy truce

exists between the two leaders, and Kasavubu says he intends to keep Tshombé as premier at least until June.

Military activity is at a low level. On 28 April, mercenaries sallied briefly into the Sudan and destroyed a rebel camp there. Khartoum has protested to Leopoldville and increased its border guard, but the incident seems to have blown over for the moment. Aid of some sort to the rebels via the Sudan seems to be continuing, however.

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Asia-Africa

NEW POLITICAL UPHEAVAL SHAPING UP IN DAHOMEY

There are increasing signs of another upheaval in the government of Dahomey. With the country facing critical economic problems and governed by a divided, ineffective regime, the army may again seize control as it did in October 1963.

Dahomey is virtually without economic resources, and its chronic budgetary deficits have heretofore been made up by France. However, this year's deficit will apparently exceed six million dollars--twice the amount France has agreed to pay. Paris has told Dahomey that it must either find other sources of aid or carry out drastic reforms.

A French study commission in late April proposed a reform program that included an immediate 10-percent salary cut for government workers and various measures to step up tax collections. It is generally believed that dismissals or pay cuts for government employees, who constitute over half of the country's wage labor force, would lead to public demonstrations and disorders which would "compel" the army to intervene.

Dahomey's system of dual executives, instituted in January 1964, has not worked well. Moderate Vice President Ahomadegbe, who also functions as premier, and leftist-supported President Apithy barely tolerate one another. Although the constitution gives more power to

Ahomadegbe as head of government, his ineptness and vacillation have allowed the Apithy faction to prevail on several key issues, such as the recognition of Communist China and the proposed trial of former president Maga.

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Ahomadegbe is likely to be the principal victim of any shake-up. He apparently realizes the danger, for he has been cultivating his tribal supporters and organizing "commandos" armed with axes and machetes, but these would be no match for Soglo's army.

There are some indications that the French, who evidently expect an early change of regime, may favor one headed by Apithy, who was top man from 1957 to 1959 when Dahomey was moving toward independence under France's guidance. His restoration apparently would be conditional on separating him from his present leftist supporters. Maga also has friends in Paris and is the leader preferred by Ivory Coast President Houphouet-Boigny, who hopes to woo Dahomey back into his grouping of moderate African states. Former foreign minister Zinsou, a competent moderate, has also been "sounded out" as a possible head of a new government.

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Europe

NATO SPRING MINISTERIAL MEETING

The predominant mood in NATO on the eve of the annual spring ministerial meeting--convening in London on 11 May--is one of deepening uncertainty over the future of an alliance the very existence of which is increasingly challenged by France.

Although Belgium's Foreign Minister Spaak appears eager again to attack De Gaulle's negative attitude toward NATO, there seems little disposition among other members to debate such fundamental problems as nuclear strategy, force planning, and the question of a major reorganization. Moreover, preoccupation with this year's elections in France, West Germany, and certain other member countries argues in favor of deferring any showdowns until the next ministerial session in December.

The customary review of the international situation may produce a clash between the French and the US as well as others. The French have said they would object to any identification of Vietnam as an area of "special concern" to NATO and would even oppose mention of the subject in the final communiqué. More recently, however, French officials have suggested France might not object to mere reference to Vietnam in the communiqué but would dissociate itself from any implication of support for US policy. The US, on the other hand, expects to devote considerable attention to the Vietnamese conflict. The British Foreign Office is also taking the position that a matter of such obvious importance to the West cannot be ignored by NATO.

France promises to be troublesome on other matters. Paris, for example, will try to twist any NATO statement on the German question to put it in an entirely European context. The French may also indicate that further reductions in their participation in NATO affairs are in the offing.

One potentially bright spot is the improved prospect that the London gathering will facilitate direct Greek-Turkish talks on Cyprus. The Greek foreign minister is making active preparations for meetings with his Turkish counterpart during the conference. Turkey has eased pressures against Greece to open the way for such an encounter, which it probably sees as a final effort to solve its differences with Greece within the context of the Western alliance.

The general disinclination to grapple with basic affairs in London is best illustrated by the fact that discussions of the alliance's military problems has been deferred for a meeting of defense ministers in Paris at the end of May. The US, UK, and some others hope it will be possible at that time to make some progress on several thorny issues related to the alliance's force planning, which has been stalled for several years because of differences over strategy. But France's defense minister, Pierre Messmer, recently predicted the talks will be futile because of the unbridged gap between US and French strategic thinking.

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WEST GERMAN IRRITATION OVER FRENCH POLICIES

Deepening differences between Bonn and Paris over such key issues as German unification and European political unity have put a heavy strain on Franco-German friendship. Suspicions are growing among West Germans that De Gaulle may be willing to sacrifice Western unity and basic German interests in favor of his own long-range goals. His current flirtation with Moscow has deepened these suspicions.

Much of the German disenchantment with De Gaulle stems from his thesis that German unification is a European problem. French efforts to embody this idea in a US-UK-French declaration marking the 20th anniversary of V-E Day were regarded in West Germany as part of a deliberate attempt to freeze the US out of Europe. The anti-American tone of De Gaulle's 27 April television address strengthened this feeling, and Soviet Foreign Minister Gromyko's visit to Paris last week raised the specter of a Franco-Soviet deal on Germany.

De Gaulle's persistent refusal to engage in preliminary talks on European political unity is another irritant. According to Erhard, De Gaulle agreed during their January meeting at Rambouillet to a May meeting of the Common Market foreign ministers, to be followed by an EEC summit on

political integration in July. Both Erhard and ex-Chancellor Adenauer, a chief advocate of close Franco-German ties, are said to have urged De Gaulle to keep his "promise." De Gaulle, however, is standing fast on his insistence that further progress must be achieved in EEC agricultural matters before any discussions on political unity can be held and that any such talks must consider steps to develop a common European defense policy.

In addition to these larger issues, minor irritations, such as the aggressive French promotion of a color television system incompatible with one developed in Germany and the alleged failure of the French to respond suitably to the Soviet harassment of Berlin access in early April, have worn tempers thin.

Whatever its disappointments, Bonn apparently intends to avoid a showdown. With a difficult national election campaign in the offing this summer, the chancellor and his fellow Christian Democrats may reason that they can ill afford the spectacle of a quarrel with a major ally at this time. Hence, Erhard probably will attempt to make the best of the situation when he next meets De Gaulle in late June.

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Western Hemisphere

SITUATION IN THE DOMINICAN REPUBLIC

The presence of US troops in the Dominican Republic averted a victory by the Communist-directed and -infiltrated rebel forces headed by Colonel Francisco Caamano Deno. The rebels seized the political initiative from the loyalists, however, by forming a "constitutional government" with Caamano as president and are trying to gain recognition for a leftist government in which the Communists are deliberately minimizing their participation.

The US Presence

US military forces rapidly increased from the small force of marines originally landed on 28 April. By 5 May some 19,500 troops were in Santo Domingo and environs, and a naval force was patrolling the Dominican coast. On 3 May, a link-up was effected between the 4th Marine Expeditionary Brigade, which landed on the western edge of Santo Domingo, and the 82nd Airborne Division, which deplaned to the east at San Isidro Air Base. They established a corridor several blocks wide between the US Embassy and the Duarte Bridge and thus sealed off the major rebel area from the rest of the country. The US forces also protected the international zone consisting of the area where embassies are located.

While the US forces have not been embroiled in any sus-

tained or large-scale fighting they have been continually harassed by sporadic sniper fire that has thus far killed nine men and wounded 54. US naval and air forces have conducted daily reconnaissance of the country and surrounding sea areas.

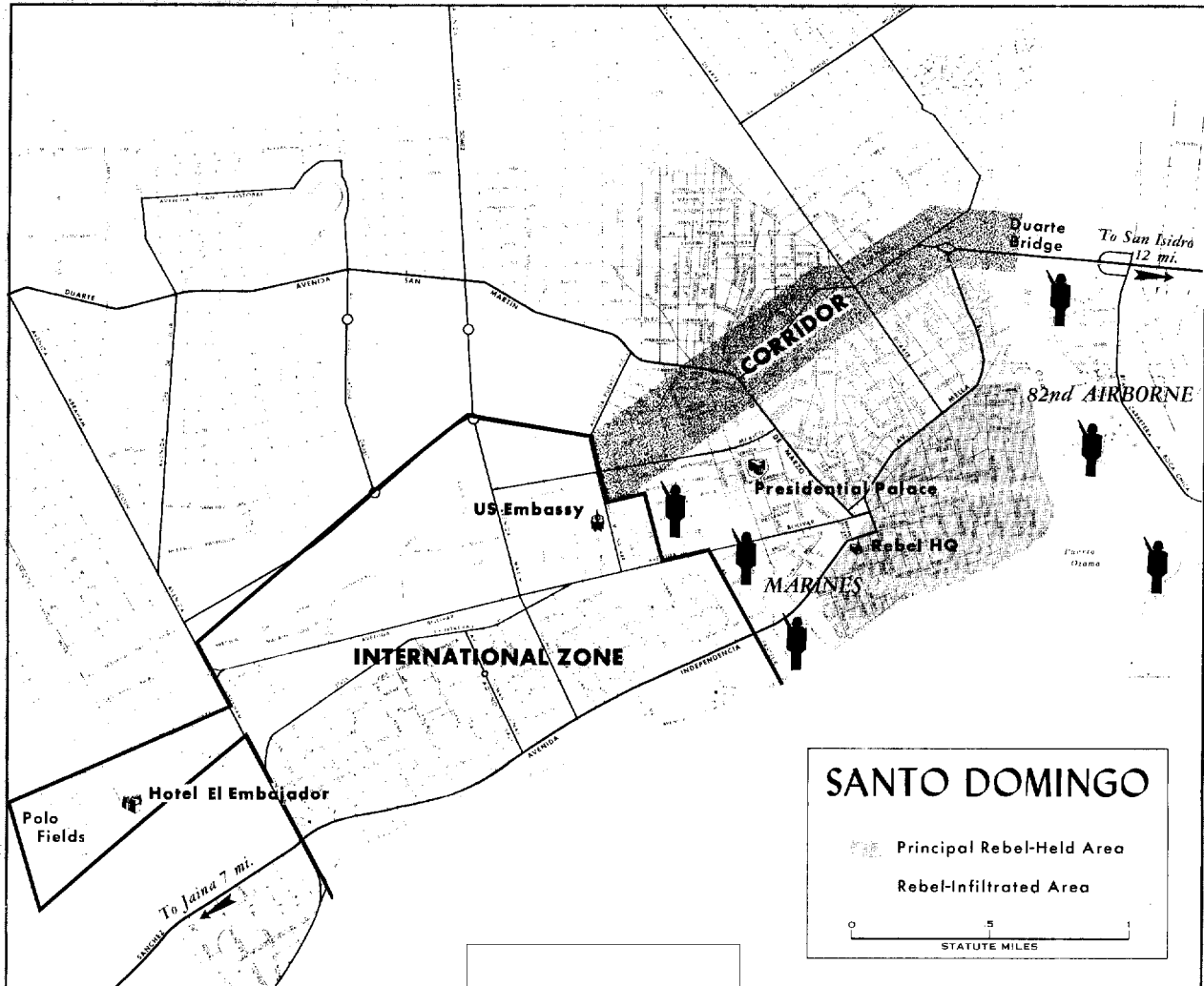
The OAS

The activities of the Organization of American States in Santo Domingo have been focused so far on the efforts of Secretary General Mora and a five-nation peace committee to revise the cease-fire agreement reached on 30 April. They developed a new agreement--which was regarded as largely unnecessary by US officials--and then devoted most of their efforts to trying to enforce it on undisciplined rebel elements. Earlier it had been hoped they would work toward a plan for assuring an effective non-Communist constitutional government, but this evidently was postponed pending the outcome of the OAS debate in Washington on creating an inter-American military force.

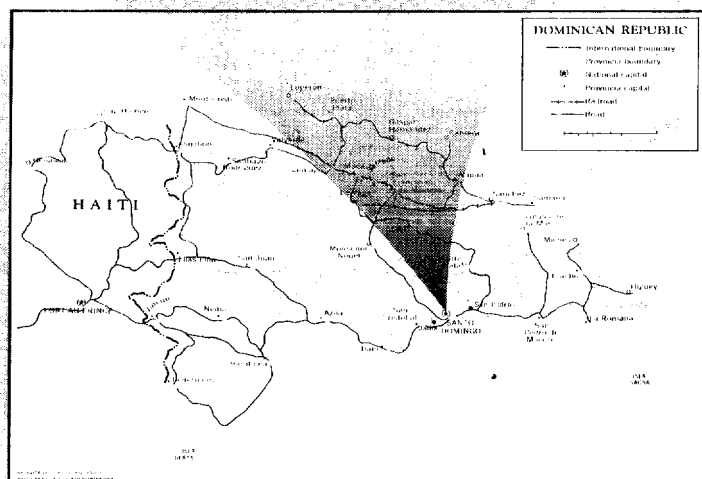
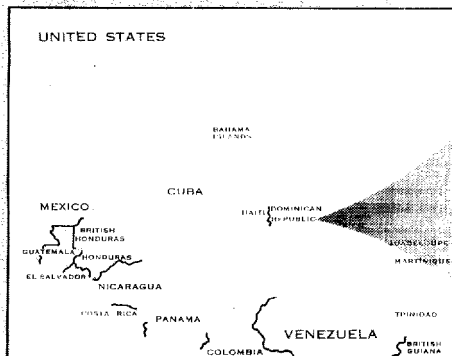
The Rebels

The rebels, realizing that the presence of US forces prevented a final military showdown with the loyalists, grasped the political initiative and established what they call a

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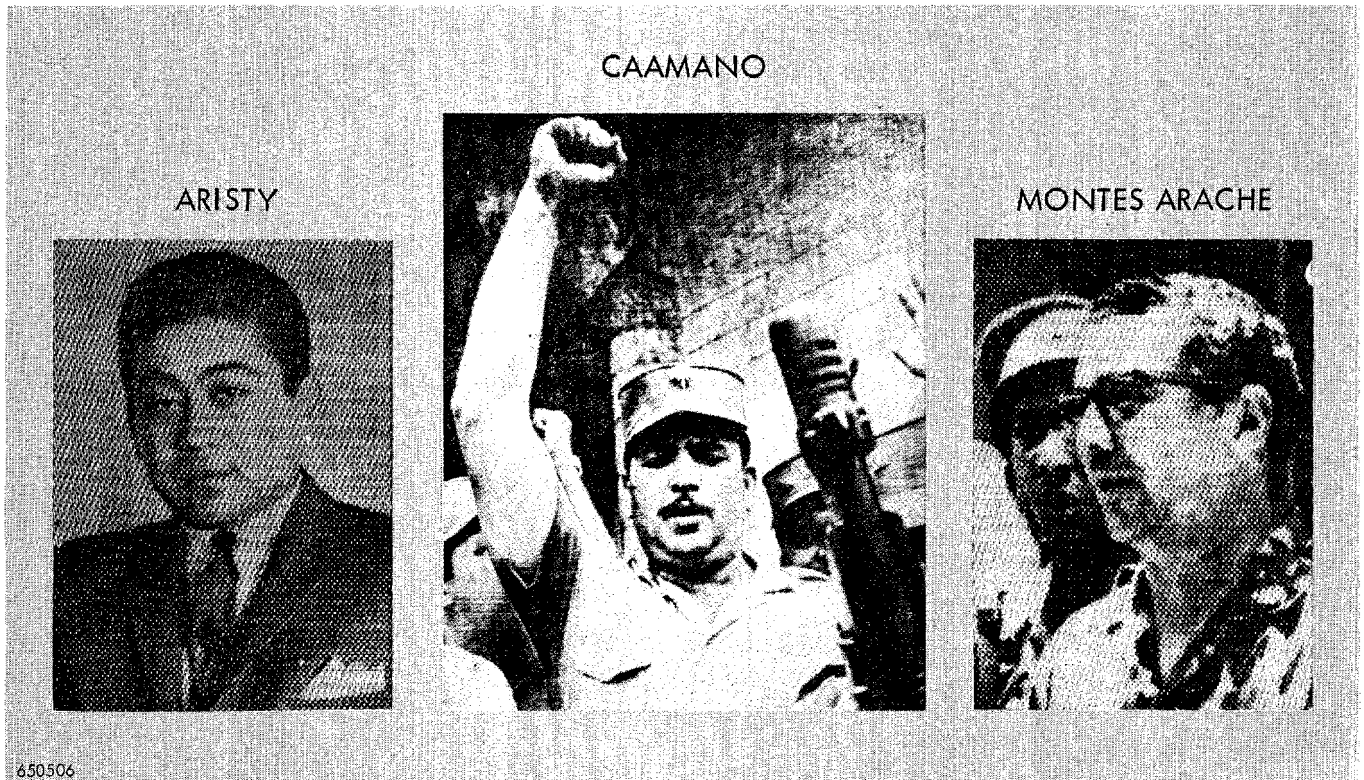


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Western Hemisphere



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"constitutional government" headed by Caamano, who appears to be the only rebel leader developing a mass appeal. Former president Juan Bosch, who endorsed Caamano's election as "president," probably has been somewhat discredited by his failure to return from Puerto Rico and rally the rebels. Caamano, whom former ambassador Martin has called the country's "only potential Castro," was reliably reported to be leaning heavily on what he felt was the sound advice of the Communists.

The emerging Caamano government has strongly attempted

to present a respectable facade. Several left-wing members of Bosch's Dominican Revolutionary Party are in the cabinet, as are some opportunistic military cohorts of Caamano.

Two of the leading cabinet members are Hector Aristy, "secretary of state for the presidency," and Manual Montes Arache, "secretary of state for the armed forces." Both men are closely associated with the rebels. Aristy, who has been described as a dangerous opportunist, is the self-styled "political adviser" to the rebel command. Montes Arache has been

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Western Hemisphere

one of Caamano's chief military lieutenants during the revolt and is the former commander of the Dominican Navy's frogman unit.

At least two members of the Caamano cabinet have reported Communist connections, and most have no government experience. The government has sent two members of the extreme left wing and anti-American segment of the Social Christian Revolutionary Party abroad on diplomatic assignments, one to Chile and the other to the OAS. The rebel "Radio Constitution" has also attempted to create an aura of legitimacy by calling the government the legal successor of Bosch.

An ominous development in recent days has been the deliberate avoidance by the Communists of any direct link with the government and their apparent preparations to go underground.

At the same time the Communists evidently have been maintaining close but discreet links with Caamano and appear to be strongly influencing his policies. They appear to be undertaking a dual policy of attempting to control his government completely while at the same time preparing to fight against any broad coalition government when US forces are withdrawn.

The Loyalist Junta

Attempts by the loyalists to mount an offensive against the rebels in downtown Santo Domingo fell apart on 29 April because of poor leadership, lack of communications, and low morale. By 30 April all offensive action on their part had ceased, and they were dealt a severe psychological blow when a police fortress fell with a loss of some 800 men and large quantities of arms. Many of the loyalists seemed to feel that further fighting should be left to the US forces.

The loyalists' junta, generally accepted to be under the orders of General Wessin and the rest of the military high command, has failed completely to create an effective government. Its sole accomplishment has been to retain the loyalty of most provincial military units, but by 6 May, even this gain was precarious because of a failure to re-establish normal governmental activities. Public confidence has been undermined by appointments such as that of notoriously corrupt former police chief Belisario Peguerro to a high police post.

The loyalists seem ready, however, to support any US effort to establish a more effective government to serve as a counter to Caamano and the rebels. Ambassador Bennett has suggested a broadly based anti-rebel government headed by the

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Western Hemisphere

tough, controversial participant in the Trujillo assassination, General Antonio Imbert, one of the few men who apparently can command the allegiance of key loyalist military officials. It appears, however, that an essentially nonpolitical junta with three civilian technicians might be the result of the impasse.

Soviet Reaction

Soviet propaganda reaction to the crisis in the Dominican Republic has been neither exceptionally shrill nor unusually extensive. Ambassador Fedorenko's performance at the UN Security Council sessions has reflected Moscow's apparent decision to await further develop-

ments in the situation. Despite his 4 May harangue against US actions, Fedorenko did not give the impression of exerting any pressure for speedy or hostile action. Moscow, however, would almost certainly obstruct any US effort to secure adoption of a resolution referring the Dominican crisis to the OAS. In 1954 the USSR vetoed a Security Council resolution referring a Guatemalan complaint against the US to the OAS.

Soviet press commentary has already referred to Caamano as the duly elected constitutional provisional president and notes the US refusal to recognize his government.

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BOLIVIAN JUNTA CHIEF CHANGES TACTICS IN BID FOR PRESIDENCY

Junta President Barrientos has not abandoned plans to be elected constitutional president of Bolivia, despite the withdrawal of his candidacy last week. His failure to secure strong political backing and the military's growing concern about his political machinations have only led him to change his tactics.

Ostensibly, Barrientos has given the political parties a free rein to draw up slates of candidates to contest the 31 October elections. The initial reaction of the parties and pre-

sumably some military circles has been one of pleasure mixed with relief.

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When enough public pressure has been generated, Barrientos and his prospective vice-presidential running mate, General Ovando, will consent to be nominated.

There is no doubt of Barrientos' ability to mobilize

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Western Hemisphere

large numbers of peasants willing to act on his behalf, but his political strength elsewhere is not so certain and his claims of support from the influential Nationalist Revolutionary Movement are probably exaggerated. Moreover, it will not take long

for the opposition parties to realize that Barrientos has no intention of withdrawing from politics, or allowing them any chance to take power. Their reaction could be violent.

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GROWING LABOR UNREST IN BRAZIL MAY LEAD TO COMMUNIST GAINS

The Brazilian Government is the target of increasing criticism by organized labor because of rising prices, growing unemployment, and continued federal control over many unions. This dissatisfaction will be advantageous to Communists and other leftist opposition groups in important union elections in the next few months, including several in the highly industrial Sao Paulo area.

The chief source of worker discontent is the government's refusal to meet demands for steep wage hikes. Although substantial boosts in the minimum wage in urban areas were recently sanctioned, union leaders point out that salaries continue to lag behind the cost of living, which in the first quarter of this year alone rose more than 19 percent. Another source of labor's dissatisfaction is rising unemployment generated by an economic recession that has plagued Brazil for the past few

months. Particularly hard hit have been the vital automotive and textile industries.

Labor, meanwhile, is chafing under the direct government supervision imposed over approximately 400 unions following the ouster of president Goulart because they were heavily penetrated by Communists. The administration has recently restored independence to some unions considered cleansed of Communists and corrupt officials. However, many of these are threatened with a resurgence of Communist influence when elections of officers are held. Under present law, such elections must be within 45 days after government control has ended. Although known Communists will not be allowed to run, they are already active behind the scenes promoting "united front" slates which they can influence.

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